

**SCHOOL DISTRICT OF THE
BOROUGH OF WOOD-RIDGE
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013**

**School District
of
WOOD-RIDGE**

**WOOD-RIDGE BOARD OF EDUCATION
Wood-Ridge, New Jersey**

**Comprehensive Annual Financial Report
Year Ended June 30, 2013**

Comprehensive Annual Financial Report

of the

**WOOD-RIDGE BOARD OF EDUCATION
Wood-Ridge, New Jersey**

Year Ended June 30, 2013

Prepared by

**Thomas J. Perez
Board Secretary/Business Administrator**

OUTLINE OF CAFR

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INTRODUCTORY SECTION

WOOD-RIDGE PUBLIC SCHOOLS
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WOOD-RIDGE, NEW JERSEY, 07075

Joseph C. Luongo,
Interim Chief School Administrator

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jluongo@wood-ridgeschools.org

November 6, 2013

Dear Board Members:

The Comprehensive Annual Financial Report of the Wood-Ridge School District for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Wood-Ridge Board of Education.

To the best of my knowledge and belief, the data presented in the report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of the principal officials. The financial section includes the independent Auditor's report, management discussion and analysis, the basic financial statements and notes. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with provisions of the Single Audit Act Amendments of 1996, and the US Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and the State Treasury Circular Letter Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY:

The Wood-Ridge School District is an independent reporting entity within the criteria adopted by the GASB as established by NCGA Statement No.3. All funds of the District are included in this report. The Wood-Ridge Board of Education and all its schools constitute the District's reporting entity.

The district provides a full range of educational services appropriate to grade levels Kindergarten through grade 12. These include special education for children with disabilities. The District completed the 2012-2013 fiscal year with an enrollment of 1143 students, a decrease of 1.9% students over the previous year's enrollment. The following details the changes in the student enrollment over the last eleven years.

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>% Change from Previous Year</u>
2012-2013	1143	-1.90%
2011-2012	1165	0.00%
2010- 2011	1163	0.69%
2009-2010	1155	-2.12%
2008-2009	1180	2.43%
2007-2008	1152	1.93%

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2006-2007	1130	0.00%
2005-2006	1132	4.62%
2004-2005	1082	4.54%
2003-2004	1035	3.60%

2. ECONOMIC CONDITION AND OUTLOOK:

The Wood-Ridge area is experiencing normal growth and expansion consistent with surrounding areas. The student population has decreased by 1.9% from the previous year. The state unemployment rate for 2013 is reported at 8.6%, (7.6%/May 2013 national average) as reported in the US Bureau of Labor Statistics for 2013.

3. MAJOR INITIATIVES:

- Collegiate Academy was newly formed by way of an articulation agreement with Felician College. Students who have a GPA of 3.3 starting in Junior Year are eligible to enroll in college courses at the 100 or 200 level at a cost of \$150 for a three credit course. Students earn a college transcript (non-matriculated) while still in high school.
- Early college options afforded to W-RHS students expanded in course offerings through Fairleigh Dickinson University's Middle College Program and Felician College's Collegiate Academy. Through both there were 246 student seats in college credit bearing courses. Proudly, all students successfully earned college credits.
- The Second Annual Alumni Day was held. The program is growing in both number of alumni returning to speak to W-RHS students and provide advice on life after high school. This year the program was expanded to include 11th and 12th grade.
- Educator Apprentice program commenced. This program affords students who are seeking a career in education the opportunity to serve as an apprentice within our own district, providing educational support to staff and students in grades K-5.
- The Annual College Fair was expanded, bringing in more college admission counselors than in previous years. Nearly 40 colleges/universities were represented, affording 11th and 12th grade students options to make personalized connections with admission representatives from colleges of interest.
- Use of Naviance was expanded to include "E-Docs" affording more efficient transmission of student transcripts to college admission offices. Naviance continued to provide our students with online support for exploring post-secondary options and facilitating applications.
- Accuplacer was afforded to all students exiting 12th grade. To better prepare our students for this assessment a representative from Bergen Community College came to W-RHS to provide on-site training and tutorials to increase student achievement on Accuplacer.
- The 2nd Annual HSPA PREP PROGRAM was held from January through March for 11th grade students. HSPA Advanced Proficient rates were recorded as the highest Advanced Proficient percentages obtained in 5 years by W-RHS 11th grade students for Language Arts Literacy and Mathematics.

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- Think Through Math (TTM) program had a successful pilot period in the spring of 2012. TTM was fully incorporated in math courses for grades 9-12. Students and staff continue to have positive experiences as the program affords individualized student pathways to be built wherein students' skills can be targeted. This program was also used for summer math. W-RHS teachers had presented the program to incoming 9th grade students from Moonachie as well.
- The 2nd Annual Move Up Day was held in June. This event rolled out schedules to all students in grades 6-11 affording them the opportunity to experience their schedule for September 2013, meet their upcoming year's teachers, learn of expectations, and afford guidance counselors opportunities to work at rectifying scheduling challenges over the summer. Moonachie 8th grade students joined us for Move Up Day. Move Up Day affords a smoother transition to the start of the school year.
- Alternative High School Assessment (AHSA) appeals were filed with the NJ Department of Education. For the 2nd consecutive year our appeals were granted based upon extensive student portfolios demonstrating students' knowledge, skills and proficiency in the required content areas.
- All students who entered the 12th grade in September 2012 and remained with our school were graduates in June 2013. This is the 2nd consecutive year wherein 100% of the students were eligible to receive a high school diploma.
- The Program of Studies and Student Handbook were revised to reflect the change of W-RHS to Wood-Ridge Junior-Senior High School. All efforts to provide for a master schedule serving grades 7-12 were completed.
- Teachscape was initiated and utilized for teacher evaluations. All staff was provided the necessary professional development to learn the needed critical attributes within the required evaluations domain to be rated "effective" or "highly effective".
- Curriculum Mapper was initiated and utilized to develop new curricula or revise current curricula.
- New Math textbook series in Doyle.
- "Tools of the Mind" program began in Doyle.
- District provided facilities for Moonachie for 2 months in response to Superstorm Sandy.
- District began operations of an in-house payroll system.

4. **INTERNAL ACCOUNTING CONTROLS:**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

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As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5 BUDGETARY CONTROLS:

In addition to internal accounting controls the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements, accounted for in the capital projects fund.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriation of fund balance in the subsequent year. These amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2012.

6 CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires Governmental Units to deposit public funds online in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

7 RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

8 OTHER INFORMATION:

A) Independent Audit: state statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkatz, Cerullo and Cuva, P.A., was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, Amendments of 1996 and the related OMB Circular A-133, Revised, and State Office of Management and Budget Circular Letter 04-04. The auditor's report on the basic financial statements and specific required supplemental information is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

B) Awards: The school district is extremely proud of its students, who achieve levels of distinction in academics, athletics, and service. Following are areas in which Wood-Ridge students excelled during the 2012-2013 school year:

- Ostrovsky student was recognized as the Lion's Club Peace Contest winner.

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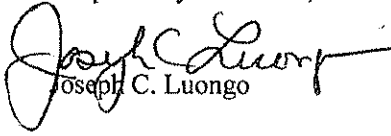
- Twenty-nine (29) eighth grade students received the Presidential Award for Educational Excellence.
- Eighty (80) Ostrovsky students scored Advanced Proficient on the NJ ASK in LAL, Math and/or Science.
- Health U grant awarded to Doyle School from the YMCA.
- District received the SAIF Safety Incentive Program Award for the third consecutive year. The district's insurance premium is reduced in the school year following the acknowledgement of the award.
- The Class of 2013 was offered approximately \$2 million in state and private scholarships.
- The Class of 2013 accepted nearly \$1 million in scholarships and grants from colleges and universities of higher education over the course of the next four years.
- At Senior Awards Night 38 students of the Class of 2013 were presented more than \$52 thousand in scholarships.
- For the second consecutive year, one student received a distinguishing award from Teterboro Airport for an intention to pursue aviation/aerospace career. Receipt of such reinforces our school's efforts to further STEM course electives.
- For the first year in W-RHS history three students competed in the state recognized Panasonic Creative Design Challenge through our robotics club program. This team, consisting of three students, successfully competed through preliminary rounds and qualified for the 2013 Finals Challenge.
- Out of 34 students taking Advanced Placement courses the students achieved a score of 3, 4, or 5 on 24 Advanced Placement exams.
- W-RHS 11th grade students achieved the highest Advanced Proficient on the High School Proficiency Assessment in five years: 25.9% scored Advanced Proficient in Language Arts Literacy, and 20.9% scored Advanced Proficient in Mathematics.
- Boys Basketball won the Meadowlands Division.
- Two Boys Basketball players combined for more than 4,000 points throughout their HS careers. They are the highest scoring duo of North Jersey.
- One Boys Basketball player was awarded the Bergen Record Athlete of the Week, and received All County Honors.
- Competition Cheering Team won the Grand International Championship at Disney World.

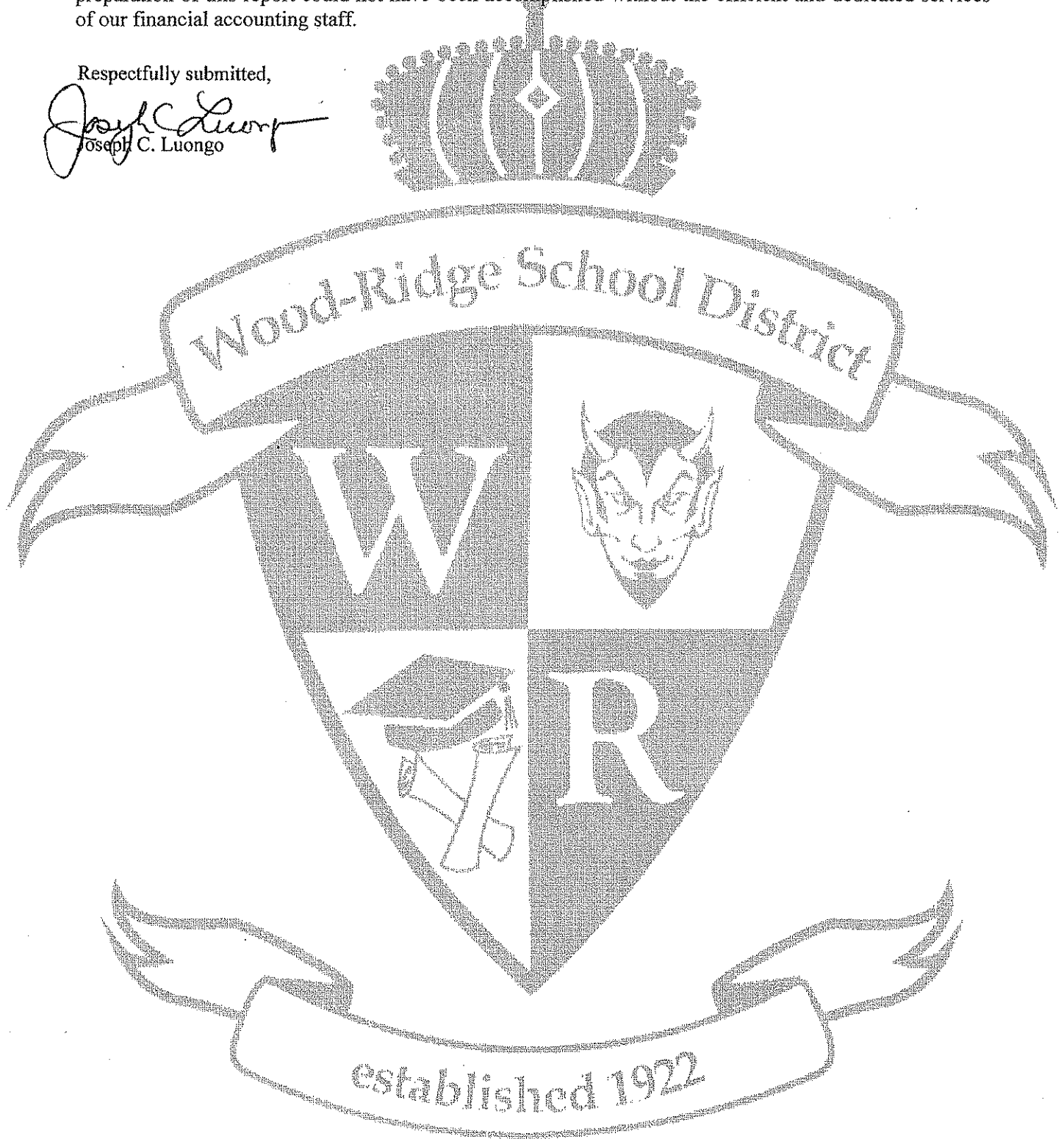
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9. ACKNOWLEDGEMENTS:

We would like to express our appreciation to the members of the Wood-Ridge Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial accounting staff.

Respectfully submitted,

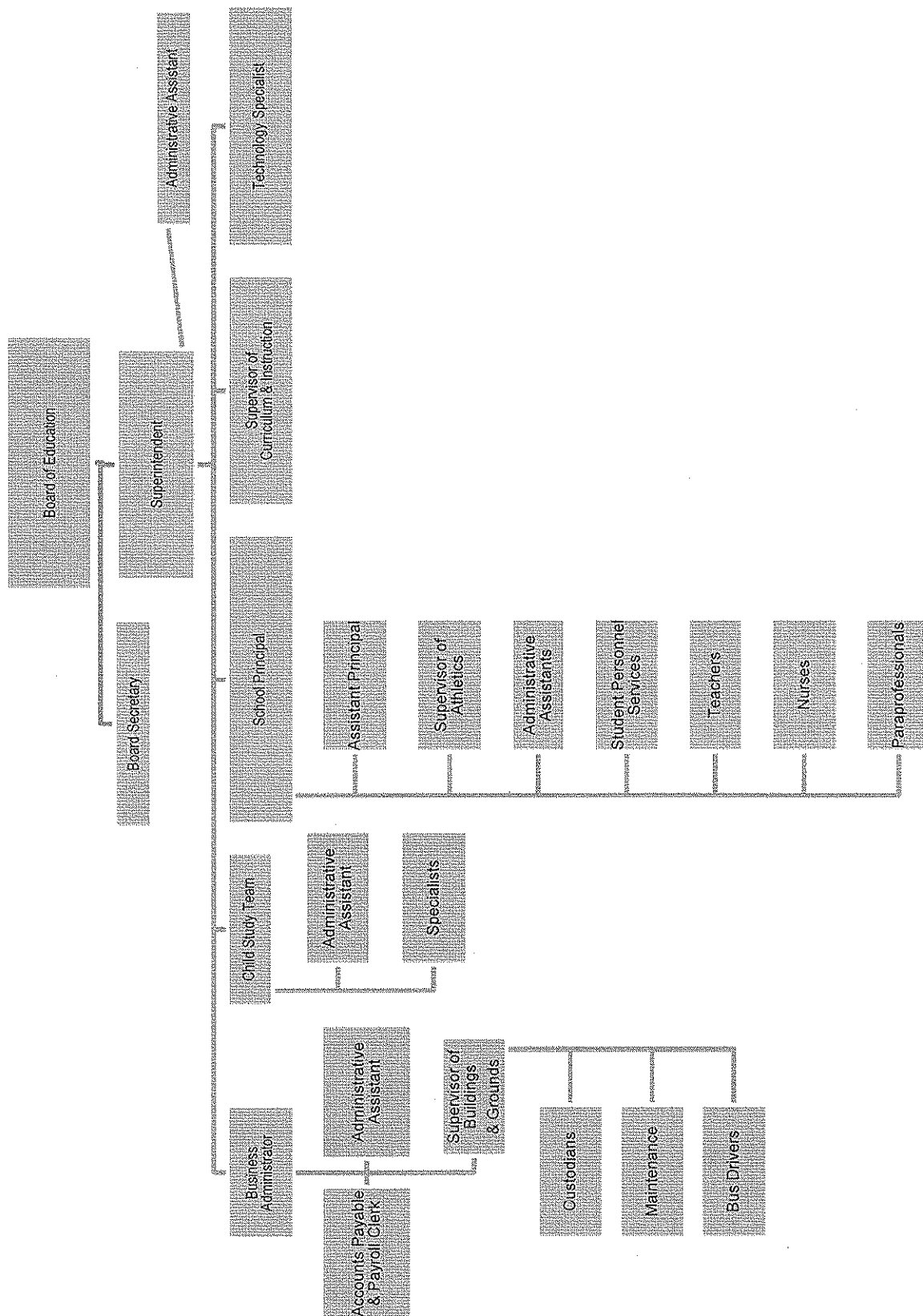

Joseph C. Luongo



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Wood-Ridge School District Organizational Chart

2012-2013



**WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2013**

MEMBERS OF THE BOARD OF EDUCATION

	<u>Term Expires</u>
Albert Nieves, President	2015
Robert Valenti, Vice President	2014
Joseph Biamonte, Jr.	2016
Robert Talamini	2015
Christopher Garvin	2016
Charles Pallas (Moonachie Representative)	

OTHER OFFICIALS

Dr. Beth Ebler, Superintendent
Thomas J. Perez, Business Administrator/Board Secretary

**WOOD-RIDGE BOARD OF EDUCATION
CONSULTANTS AND ADVISORS
JUNE 30, 2013**

ARCHITECT

DiCara and Rubino Architects
30 Galesi Drive – West Wing
Wayne, NJ 07470

AUDIT FIRM

Ferraioli, Wielkottz, Cerullo and Cuva, P.A.
401 Wanaque Avenue
Pompton Lakes, NJ 07422

ATTORNEY

Michael J. Gross
Kenney, Gross, Kovats and Parton
The Courts at Red Bank
130 Maple Avenue – Building 8
P.O. Box 8610
Red Bank, NJ 07701

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145 Route 17 South
East Rutherford, NJ 7073

ESCROW ACCOUNT/SCHOLARSHIP FUNDS

TD Bank
109 Boulevard
Hasbrouck Heights, NJ 07604

INSURANCE

Polaris/Galaxy LLC, Insurance Broker
777 Terrace Ave.
Hasbrouck Heights, NJ 07604

Brown & Brown
80 Lambert Lane
Suite 140 Lambertville, NJ 08530

FINANCIAL SECTION

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
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973-835-7900
Fax 973-835-6631

Newton Office
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Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Borough of Wood-Ridge School District
County of Bergen, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wood-Ridge School District, in the County of Bergen, State of New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Wood-Ridge Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Wood-Ridge Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Information on pages 14 - 23 58 - 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Wood-Ridge Board of Education's basic financial statements. The other supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical data section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2013 on our consideration of the Borough of Wood-Ridge Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report

Honorable President and
Members of the Board of Education
Page 4.

is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Wood-Ridge Board of Education's internal control over financial reporting and compliance.



Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 6, 2013

**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED**

The discussion and analysis of the Borough of Wood-Ridge Board of Education's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2013. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should not be interpreted as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the District's revenues and expenditures by program for the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service and Enterprise Fund.

FINANCIAL HIGHLIGHTS

- In total, net position decreased \$89,893. Net position of governmental activities decreased by \$84,798 while net position of business-type activities decreased by \$5,095.
- General revenues accounted for \$18,454,534 in revenue or 96 percent of all District revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$743,315 or 4 percent of total revenues of \$19,197,849.
- The School District had \$19,287,742 in expenses related to governmental activities and business-type activities; only \$743,315 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$18,454,534 were adequate to provide for these programs.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements and notes to those statements. The statements are organized so the reader can understand the District as a whole (district-wide statements), and then proceed to provide an increasingly detailed look at specified financial activities.

District-Wide Financial Statements

The *statement of net position and statement of activities* reports information about the District as a whole and about its activities in a manner that helps answer the question, "Is the District better or worse off as a result of the year's activities?" These statements include all assets and liabilities of the District using the accrual basis of accounting, similar to the accounting used by private sector corporations. All of the current year's revenues and expenses are taken into consideration regardless of when cash is received or paid.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

Both of the district-wide financial statements distinguish functions of the Borough of Wood-Ridge Board of Education that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

In the *Statement of Net Position and the Statement of Activities*, the District is divided into two distinct kinds of activities:

- **Governmental Activities** – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- **Business-type Activity** – This service is provided on a charge for goods and services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise fund is reported as a business activity.

The two statements report the District's net position and changes in them. The change in net position can be utilized by a reader to assist in determining whether the District's financial health is improving or deteriorating. However, the reader should also consider non-financial factors such as property tax base, current New Jersey laws restricting revenue growth, student enrollment growth, facility conditions, required educational programs and other factors in determining the District's overall financial health.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Borough of Wood-Ridge Board of Education, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of *spendable resources* available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities* (reported in the Statement of Net Position and the Statement of Activities).

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

USING THIS ANNUAL REPORT, (continued)

The Borough of Wood-Ridge Board of Education maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the general, special revenue, capital project and debt service funds, which are considered to be major funds.

The Borough of Wood-Ridge Board of Education adopts annual appropriated budgets for its governmental funds. A budgetary comparison statement has been provided for the general fund, special revenue fund and debt service fund to demonstrate compliance with their budgets.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, the same as on the district-wide statements, therefore the statements will essentially match the business-type activities portion of the district-wide statements. The Borough of Wood-Ridge Board of Education uses proprietary funds to account for its food service program.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the District. These activities are excluded from the District's other financial statements because the assets cannot be utilized by the District to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary information for the District's major funds.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS

The Statement of Net Position provides the perspective of the District as a whole. Net position may, over time, serve as a useful indicator of a government's financial position.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The School District's net positions were \$6,326,976 at June 30, 2013 and \$6,416,869 at June 30, 2012. Restricted items of net positions are reported separately to show legal constraints that limit the School District's ability to use those items for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the School District.

Table 1

**Net Position
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Assets						
Current and Other Assets	2,776,004	3,391,369	88,503	103,037	2,864,507	3,494,406
Capital Assets	<u>9,105,016</u>	<u>8,799,848</u>	<u>22,849</u>	<u>23,709</u>	<u>9,127,865</u>	<u>8,823,557</u>
Total Assets	<u>11,881,020</u>	<u>12,191,217</u>	<u>111,352</u>	<u>126,746</u>	<u>11,992,372</u>	<u>12,317,963</u>
Deferred Outflows of Resources						
Unamortized Loss on Sale of						
Refunding Bonds	<u>281,427</u>	_____	_____	_____	<u>281,427</u>	_____
Liabilities						
Other Liabilities	634,687	324,744	61,922	72,221	696,609	396,965
Noncurrent Liabilities	<u>4,948,698</u>	<u>5,504,129</u>	_____	_____	<u>4,948,698</u>	<u>5,504,129</u>
Total Liabilities	<u>5,583,385</u>	<u>5,828,873</u>	<u>61,922</u>	<u>72,221</u>	<u>5,645,307</u>	<u>5,901,094</u>
Deferred Inflows of Resources						
Unamortized Bond Premium	<u>301,516</u>	_____	_____	_____	<u>301,516</u>	_____
Net Position						
Invested in Capital Assets - Net of						
Related Debt	4,070,016	3,514,848	22,849	23,709	4,092,865	3,538,557
Restricted	2,194,170	2,751,211	_____	_____	2,194,170	2,751,211
Unrestricted	<u>13,360</u>	<u>96,285</u>	<u>26,581</u>	<u>30,816</u>	<u>39,941</u>	<u>127,101</u>
Total Net Position	<u>6,277,546</u>	<u>6,362,344</u>	<u>49,430</u>	<u>54,525</u>	<u>6,326,976</u>	<u>6,416,869</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net position for fiscal year 2013 compared to 2012.

**Table 2
Changes in Net Position
Year Ended June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program Revenues:						
Charges for Services and Sales			294,123	295,931	294,123	295,931
Operating Grants and Contributions	356,575	415,322	92,617	96,429	449,192	511,751
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes	14,111,839	13,835,136			14,111,839	13,835,136
Property Taxes, Levied for Debt Services	205,103	478,252			205,103	478,252
Federal and State Aid not Restricted	2,283,506	1,880,588			2,283,506	1,880,588
Federal and State Aid not Restricted - Capital Outlay		7,484				7,484
Community Development Block Grant Cancelled		(6,161)				(6,161)
Investment Earnings	1,572				1,572	
Tuition Received	1,249,073	1,388,926			1,249,073	1,388,926
Prior Year Prepays Realized			9,672		9,672	
Operating Subsidy Received from Moonachie Board of Education			13,744		13,744	
Miscellaneous Income	202,054	79,401			202,054	79,401
Other Financing Sources (Uses):						
Recovery for Repair of Impaired Capital Assets - Super Storm Sandy	335,586				335,586	
Proceeds Received from Refunding Bond Sale - Close out of Escrow	14,974				14,974	
Total Revenues and Transfers	<u>18,760,282</u>	<u>18,078,948</u>	<u>410,156</u>	<u>392,360</u>	<u>19,170,438</u>	<u>18,471,308</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Functions/Program Expenses						
Instruction:						
Regular	6,004,438	5,950,785			6,004,438	5,950,785
Special Education	1,013,724	1,065,358			1,013,724	1,065,358
Other Special Education	247,303	253,244			247,303	253,244
Other Instruction	447,251	473,704			447,251	473,704
Support Services:						
Tuition	2,872,922	2,438,919			2,872,922	2,438,919
Student & Instruction						
Related Services	1,986,337	1,816,489			1,986,337	1,816,489
School Administrative						
Services	1,012,327	817,217			1,012,327	817,217
General Administrative						
Services	503,476	510,635			503,476	510,635
Central Administration	352,975	338,875			352,975	338,875
Administrative Information						
Technology	154,031	151,831			154,031	151,831
Plant Operations and Maintenance						
Maintenance	1,574,683	1,521,990			1,574,683	1,521,990
Pupil Transportation	569,410	441,156			569,410	441,156
Unallocated Benefits	1,568,004	1,361,521			1,568,004	1,361,521
Transfer of Funds to Charter Schools	36,897	27,658			36,897	27,658
Debt Service:						
Interest and Other Charges	148,533	211,820			148,533	211,820
Unallocated Depreciation	242,936	212,926			242,936	212,926
Capital Outlay - Nondepreciable	37,333	19,097			37,333	19,097
Bond Issuance Costs	72,500					
Food Service			415,251	406,185	415,251	406,185
Total Expenses and Transfers	<u>18,845,080</u>	<u>17,613,225</u>	<u>415,251</u>	<u>406,185</u>	<u>19,260,331</u>	<u>18,019,410</u>
Increase or (Decrease) in						
Net Position	<u>(84,798)</u>	<u>465,723</u>	<u>(5,095)</u>	<u>(13,825)</u>	<u>(89,893)</u>	<u>451,898</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Governmental and Business- Activities

As reported in the Statement of Activities the cost of all of our governmental and business-type activities this year was \$19,260,331. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$14,316,942 because some of the cost was paid by those who benefited from the programs \$294,123, by other governments and organizations who subsidized certain programs with grants and contributions of \$449,192, by tuition revenue of \$1,249,073, by miscellaneous sources of \$577,602 and by unrestricted federal and state aid of \$2,283,506.

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state subsidy reimbursements. Significant financial results include the following:

- ✓ Food service expenses exceeded revenues by \$28,511.
- ✓ Charges for services provided totaled \$294,123. This represents amounts paid by consumers for daily food services.
- ✓ Federal and state reimbursement for meals served, including payments for free and reduced priced lunches, and donated commodities was \$92,617.

MAJOR GOVERNMENTAL FUNDS BUDGETING AND OPERATING HIGHLIGHTS

The School District's budgets are prepared according to New Jersey law, and are based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted funds are the general fund and the special revenue fund.

During the fiscal year ended June 30, 2013, the School District amended the budgets of these major governmental funds several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditures item to the district but is required to be reflected in the financial statements.
- The special revenue fund was increased by \$76,140 for increases in federal and state grant awards.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

General Fund

The general fund actual revenue was \$17,847,821. That amount is \$1,499,579 above the final amended budget of \$16,348,242. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$1,376,279 for TPAF social security reimbursements and on-behalf pension payments and \$123,300 of miscellaneous anticipated revenues and other state and federal aid.

The actual expenditures of the general fund were \$18,232,485 including transfers which is \$730,694 above the final amended budget of \$17,501,791. The variance between the actual expenditures and final budget was due to non-budget on-behalf TPAF social security and pension payments of \$1,376,279 and \$646,585 of unexpended budgeted funds.

Special Revenue Fund

The special revenue fund actual revenue was \$356,575. That amount is above the original budget estimate of \$286,146 and below the final amended budget of \$362,286. The \$76,140 variance between the original and final budget was due to adjustments to the federal and state grant monies awarded to the District after the original budget was approved. The \$5,711 variance between the final amended budget and the June 30, 2013 actual results was due to the deferral of Federal and State grants received in the current fiscal year to be spent in the next fiscal year.

The actual expenditures of the special revenue fund were \$356,575, which is above the original budget of \$286,146 and below the final amended budget of \$362,286. The \$76,140 variance between the original and final budget was due to adjustments to the expenditures related to the additional grants awarded to the District after the original budget was approved. The \$5,711 variance between the final amended budget and the June 30, 2013 actual results was due to the anticipation of fully expending federal and state grant programs. Expenditures will be incurred in the next fiscal year.

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2013 the School District had \$13,870,050 invested in sites, buildings and equipment. Of this amount, \$4,742,185 in depreciation has been taken over the years. We currently have a net book value of \$9,127,865. Table 3 shows fiscal year 2013 balances compared to 2012.

**Table 3
Capital Assets at June 30,
(Net of Depreciation)**

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land Improvements	149,489	158,709			149,489	158,709
Buildings and Building Improvements	8,654,694	8,286,720			8,654,694	8,286,720
Furniture, Equipment and Vehicles	<u>300,833</u>	<u>354,419</u>	<u>22,849</u>	<u>23,709</u>	<u>323,682</u>	<u>378,128</u>
	<u>9,105,016</u>	<u>8,799,848</u>	<u>22,849</u>	<u>23,709</u>	<u>9,127,865</u>	<u>8,823,557</u>

Debt Administration

At June 30, 2013, the District had \$5,258,698 of long-term debt. Of this amount, \$223,698 is for compensated absences and \$5,035,000 in school bonds payable.

**Table 4
Outstanding Serial Bonds at June 30,**

	<u>2013</u>	<u>2012</u>
2005 School Bonds	585,000	5,285,000
2013 School Refunding Bonds	<u>4,450,000</u>	
	<u>5,035,000</u>	<u>5,285,000</u>

**BOROUGH OF WOOD-RIDGE BOARD OF EDUCATION
WOOD-RIDGE, NJ**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Borough has purchased the Assumption School building from the Archdiocese. Renovations and improvements to the building began during 2012. The Wood-Ridge Intermediate School, as it will be known, will be operational for the 2013-2014 school year. The building will house students in grades 4 – 6. A lease agreement has been entered into with the Borough for use as a school.

The school district closed June 2013 with an enrollment of 1,143 students. This is a decrease from last June's figure of 1,165 by 22 students. Demographic studies recently commissioned by the Board of Education projects an additional increase of students over the next five years based on live birth rates and inward migration patterns. Capacity to house students in the existing school buildings is lacking but will be alleviated to some degree with the opening of the Intermediate School.

The School District received State Aid in the amount of \$756,240 for the 2012-2013 school year which is an increase of \$135,547 over the 2011-2012 State Aid. State Aid for the 2013-2014 school year will remain at \$756,240. This is still below the \$1,082,024 in State Aid received for the 2009-2010 school year.

New laws require the withholding of 1.5% of an employee's salary toward their health care benefits. The district administrators were subject to this new requirement upon the expiration of their contract on June 30, 2010. WREA members became subject to year 2 provisions of Chapter 78 regarding contributions toward their health care benefits

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Wood-Ridge Board of Education's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Thomas J. Perez
School Business Administrator/Board Secretary
Wood-Ridge Board of Education
89 Hackensack Street
Wood-Ridge, NJ 07075

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

WOOD-RIDGE BOARD OF EDUCATION

Statement of Net Position

June 30, 2013

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	1,118,433	73,987	1,192,420
Receivables, net	1,519,961	12,691	1,532,652
Inventory		1,825	1,825
Restricted assets:			
Capital reserve account - cash	37,610		37,610
Emergency reserve account - cash	100,000		100,000
Capital assets:			
Other capital assets, net	9,105,016	22,849	9,127,865
Total Assets	11,881,020	111,352	11,992,372
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on sale of refunding bonds	281,427	-	281,427
LIABILITIES			
Accounts payable and accrued liabilities	321,839	61,922	383,761
Unearned revenue	2,848		2,848
Noncurrent liabilities:			
Due within one year	310,000		310,000
Due beyond one year	4,948,698		4,948,698
Total liabilities	5,583,385	61,922	5,645,307
DEFERRED INFLOWS OF RESOURCES			
Unamortized Bond Premium	301,516		301,516
	301,516	-	301,516
NET POSITION			
Net Investment in Capital Assets	4,070,016	22,849	4,092,865
Restricted for:			-
Capital Projects	915,662		915,662
Debt Service	337		337
Other Purposes	1,278,171		1,278,171
Unrestricted (Deficit)	13,360	26,581	39,941
Total net position	6,277,546	49,430	6,326,976

The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Statement of Activities
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	5,013,924	990,514		330,342		(5,674,096)		(5,674,096)
Special education	828,960	184,764				(1,013,724)		(1,013,724)
Other special instruction	202,258	43,045				(247,303)		(247,303)
Other instruction	387,933	59,318				(447,251)		(447,251)
Support services:								
Tuition	2,872,922					(2,872,922)		(2,872,922)
Student & instruction related services	1,758,434	227,903		26,233		(1,960,104)		(1,960,104)
General administrative services	447,064	56,412				(503,476)		(503,476)
School administrative services	811,400	200,927				(1,012,327)		(1,012,327)
Central services	299,876	53,099				(352,975)		(352,975)
Administrative information technology	130,488	23,543				(154,031)		(154,031)
Plant operations and maintenance	1,410,859	163,824				(1,574,683)		(1,574,683)
Pupil transportation	562,065	7,345				(569,410)		(569,410)
Unallocated benefits	1,568,004					(1,568,004)		(1,568,004)
Capital Outlay - non-depreciable	37,333					(37,333)		(37,333)
Transfer of funds to Charter Schools	36,897					(36,897)		(36,897)
Debt service:								
Interest and other charges	148,533					(148,533)		(148,533)
Unallocated depreciation	242,936					(242,936)		(242,936)
Bond Insurance Costs	72,500					(72,500)		(72,500)
Total governmental activities	16,832,386	2,012,694	-	356,575	-	(18,488,505)	-	(18,488,505)
Business-type activities:								
Food Service	415,251		294,123	92,617			(28,511)	(28,511)
Total business-type activities	415,251		294,123	92,617	-		(28,511)	(28,511)
Total primary government	17,247,637		294,123	449,192		(18,488,505)	(28,511)	(18,517,016)
General revenues:								
Taxes:								
Property taxes, levied for general purposes						14,111,839		14,111,839
Property taxes, levied for debt service						205,103		205,103
Federal and State aid not restricted						2,283,506		2,283,506
Investment Earnings						1,572		1,572
Tuition						1,249,073		1,249,073
Prior year prepaids realized						9,672	9,672	9,672
Operating subsidy received from Moonachie Board of Education						13,744	13,744	13,744
Miscellaneous Income						202,054		202,054
Other Financing Sources (Uses)								
Extraordinary item - Insurance Recovery for repair of Impaired Capital Assets - Super Storm Sandy						335,586		335,586
Proceeds received from Refunding Bond Sale - Close out of Escrow						14,974		14,974
Total general revenues, special items, extraordinary items and transfers						18,403,707	23,416	18,427,123
Change in Net Position						(84,798)	(5,095)	(89,893)
Net Position—beginning						6,362,344	54,525	6,416,869
Net Position—ending						6,277,546	49,430	6,326,976

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

WOOD-RIDGE BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	242,527		877,687		1,120,214
Receivables, net					
Interfund Receivables	72,553			6	72,559
Receivables from other governments	1,344,994	74,595		17,092	1,436,681
Other Accounts Receivable	82,280				82,280
Restricted cash and cash equivalents	137,610				137,610
Total assets	<u>1,879,964</u>	<u>74,595</u>	<u>877,687</u>	<u>17,098</u>	<u>2,849,344</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Cash overdraft				1,781	1,781
Accounts payable	255,073	194			255,267
Interfund payables		71,553	6		71,559
Unearned revenue		2,848			2,848
Total liabilities	<u>255,073</u>	<u>74,595</u>	<u>6</u>	<u>1,781</u>	<u>331,455</u>
Fund Balances:					
Restricted for:					
Capital reserve account	37,981				37,981
Emergency reserve	100,000				100,000
Excess Surplus - Designated for Subsequent year's expenditures	446,264				446,264
Excess Surplus - Current Year	579,538				579,538
Debt Service				337	337
Capital Projects			877,681		877,681
Committed to:					
Other Purposes	47,728				47,728
Assigned to:					
Designated for Subsequent Years' Expenditures	103,391				103,391
Other Purposes	1,250				1,250
Unassigned, reported in:					
General fund	308,739				308,739
Debt service fund				14,980	14,980
Total Fund balances	<u>1,624,891</u>	<u>-</u>	<u>877,681</u>	<u>15,317</u>	<u>2,517,889</u>
Total liabilities and fund balances	<u>1,879,964</u>	<u>74,595</u>	<u>877,687</u>	<u>17,098</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$13,797,400 and the accumulated depreciation is \$4,692,384.

9,105,016

Accrued interest on long-term debt is not due and payable in the current period and is not reported as a liability in the funds.

(66,572)

Bond issuance premium is recorded as revenue in the governmental funds in the year of receipt. The original premium is \$328,927 and accumulated amortization is \$27,411.

(301,516)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

(4,977,271)

Net position of governmental activities

6,277,546

The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	14,111,839			205,103	14,316,942
Tuition	1,249,073				1,249,073
Interest earned on Capital Reserve Funds	1,572				1,572
Miscellaneous	202,048	8,152	6		210,206
Total - Local Sources	15,564,532	8,152	6	205,103	15,777,793
State sources	2,283,506	-			2,283,506
Federal sources		348,423			348,423
Total revenues	17,848,038	356,575	6	205,103	18,409,722
EXPENDITURES					
Current:					
Regular instruction	4,683,582	330,342			5,013,924
Special education instruction	828,960				828,960
Other special instruction	202,258				202,258
Other instruction	387,933				387,933
Support services and undistributed costs:					
Tuition	2,872,922				2,872,922
Student & instruction related services	1,732,201	26,233			1,758,434
General administrative services	447,064				447,064
School administrative services	811,400				811,400
Central services	299,876				299,876
Administrative information technology	130,488				130,488
Plant operations and maintenance	1,410,859				1,410,859
Pupil transportation	562,065				562,065
Unallocated benefits	3,474,794				3,474,794
Capital Outlay	351,186				351,186
Transfer of funds to Charter Schools	36,897				36,897
Debt Service:					
Principal				275,000	275,000
Interest and other charges				206,279	206,279
Total expenditures	18,232,485	356,575	-	481,279	19,070,339
Excess (Deficiency) of revenues over expenditures	(384,447)	-	6	(276,176)	(660,617)
OTHER FINANCING SOURCES (USES)					
Transfers In				275,006	275,006
Transfers Out			(275,006)		(275,006)
Proceeds from Refunding Bond Sale				14,974	14,974
Insurance Recovery Related to Impaired Capital - Asset - Super Storm Sandy	335,586				335,586
Insurance Recovery Related to Other Costs of Super Storm Sandy	2,500				2,500
Super Storm Sandy related Expenditures - Capital Assets	(335,586)				(335,586)
Super Storm Sandy related Expenditures - Required Maintenance - Cleaning, Repair and Maint. Svcs.	(2,500)				(2,500)
	-	-	(275,006)	289,980	14,974
Net change in fund balances	(384,447)	-	(275,000)	13,804	(645,643)
Fund balance—July 1	2,009,338	-	1,152,681	1,513	3,163,532
Fund balance—June 30	1,624,891	-	877,681	15,317	2,517,889

The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Fiscal Year Ended June 30, 2013

Total net change in fund balances - governmental funds (from B-2) (645,643)

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(344,271)
	Depreciable Capital Outlays - General Fund	313,853
	Repair of impaired Capital Assets damaged during Super Storm Sandy	<u>335,586</u>
		305,168

Repayment of long-term debt is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

In the current year, these amounts consist of:

Principal Payments on Serial Bonds Payable	275,000
--------------------------------------------	---------

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is a reduction in the reconciliation. (-)

General Bond Obligations - Prior Year	96,907	
General Bond Obligations	<u>(66,572)</u>	
		30,335

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

2005 School Bonds Refunded	4,425,000	
2013 School Refunding Bonds Issued	(4,450,000)	
Gain/Loss on Sale of Refunding Bonds	281,427	
School Bond Premium	<u>(328,927)</u>	

Bond Issuance Costs expensed	(72,500)
------------------------------	----------

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

Increase in compensated absences payable	(4,569)
------------------------------------------	---------

The governmental funds report the effect of bond premiums when debt is first issued. Whereas these amounts are deferred and amortized in the Statement of Activities. (+)

	27,411
--	--------

Change in net position of governmental activities

	<u><u>(84,798)</u></u>
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The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Statement of Net Position
Proprietary Funds
June 30, 2013

	<u>Food Service Program</u>
 <u>ASSETS</u>	
Current assets:	
Cash and cash equivalents	73,987
Accounts receivable:	
State	501
Federal	12,190
Inventories	1,825
Total current assets	<u>88,503</u>
Noncurrent assets:	
Capital assets:	
Equipment	72,650
Less accumulated depreciation	<u>(49,801)</u>
Total capital assets (net of accumulated depreciation)	<u>22,849</u>
Total assets	<u><u>111,352</u></u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	<u>61,922</u>
Total current liabilities	<u>61,922</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	22,849
Unrestricted	<u>26,581</u>
Total net position	<u><u>49,430</u></u>

**The accompanying Notes to Financial Statements are an
integral part of this statement**

WOOD-RIDGE BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	132,189
Daily sales - non-reimbursable programs	161,934
Total operating revenues	<u>294,123</u>
Operating expenses:	
Cost of sales	183,193
Salaries	147,262
Supplies and materials	28,470
Employee benefits	21,247
Cleaning, repair & maintenance	4,769
Purchased property services	27,250
Depreciation	3,060
Total Operating Expenses	<u>415,251</u>
Operating income (loss)	<u>(121,128)</u>
Nonoperating revenues (expenses):	
State sources:	
State school lunch program	3,188
Federal sources:	
National school lunch program	71,899
Food distribution program	17,530
Prior year prepaids realized	9,672
Moonachie Board of Education - Reimbursement for servicing students during Hurricane closure	13,744
Total nonoperating revenues (expenses)	<u>116,033</u>
Income (loss) before contributions & transfers	<u>(5,095)</u>
Transfers in (out)	
Change in net position	<u>(5,095)</u>
Total net position—beginning	<u>54,525</u>
Total net position—ending	<u><u>49,430</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Program</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	294,123
Payments to Outside Food Service Management Company	(379,754)
Payments for repairs, maintenance	(4,769)
Payments to suppliers	(6,093)
Net cash provided by (used for) operating activities	<u>(96,493)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Sources	3,212
Federal Sources	71,261
Operating subsidies and transfers to other funds	13,744
Net cash provided by (used for) non-capital financing activities	<u>88,217</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(2,200)
Net cash provided by (used for) capital and related financing activities	<u>(2,200)</u>
Net increase (decrease) in cash and cash equivalents	(10,476)
Balances—beginning of year	84,463
Balances—end of year	<u><u>73,987</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(121,128)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation and net amortization	3,060
Food Distribution Program	17,530
(Increase) decrease in inventories	4,672
Increase (decrease) in accounts payable	(627)
Total adjustments	<u>24,635</u>
Net cash provided by (used for) operating activities	<u><u>(96,493)</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	85,737	18,592	115,296
Intrafund receivable	1,282		
Total assets	<u>87,019</u>	<u>18,592</u>	<u>115,296</u>
LIABILITIES			
Payable to student groups			101,637
Payroll deductions and withholdings			11,377
Interfund - general fund			1,000
Intrafund payable			1,282
Unemployment claims payable	10,652		
Total liabilities	<u>10,652</u>	<u>-</u>	<u>115,296</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>76,367</u>		
Reserved for scholarships		<u>18,592</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

WOOD-RIDGE BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Scholarship Donations		1,000
Employee Contributions	13,788	
Board Contributions	44,359	
Total Contributions	<u>58,147</u>	<u>1,000</u>
Investment Earnings:		
Interest	490	26
Net Investment Earnings	490	26
Total additions	<u>58,637</u>	<u>1,026</u>
DEDUCTIONS		
Unemployment claims	93,426	
Scholarships		2,250
Total deductions	<u>93,426</u>	<u>2,250</u>
Change in net position	(34,789)	(1,224)
Net position—beginning of the year	<u>111,156</u>	<u>19,816</u>
Net position—end of the year	<u><u>76,367</u></u>	<u><u>18,592</u></u>

**The accompanying Notes to Financial Statements
are an integral part of this statement.**

NOTES TO THE FINANCIAL STATEMENTS

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Board of Education ("Board") of the Borough of Wood-Ridge School District ("District") is an instrumentality of the State of New Jersey, established to function as an educational institution. The Borough of Wood-Ridge School District is a Type II district located in the County of Bergen, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of six members elected to three-year terms. The purpose of the District is to educate students in grades K-12. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the Board holds the corporate powers of the organization
- the Board appoints a voting majority of the organization's board
- the Board is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Board
- there is a fiscal dependency by the organization on the Board

Based on the aforementioned criteria, the Board has no component units. Furthermore, the Board is not includable in any other reporting entity on the basis of such criteria.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education of the Borough of Wood-Ridge School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation:

The Board's basic financial statements consist of District-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Financial Statements:

The statement of net position and the statement of activities display information about the Board as a whole. These statements include the financial activities of the overall District, except for the fiduciary funds. The statements distinguish between those activities of the Board that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Board at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the governmental activities and for the business-type activities of the Board. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Board, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Board.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models. The various funds of the Board are grouped into the categories governmental, proprietary and fiduciary.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS

Governmental funds are those through which most governmental functions of the Board are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Board's governmental funds:

General Fund - The General Fund is the general operating fund of the Board. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the Board includes budgeted Capital Outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, District taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from sale of bonds, lease purchases and other revenues.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Basis of Presentation: (continued)

GOVERNMENTAL FUNDS, (continued)

Debt Service Fund - The debt service fund is used to account for the accumulation of resources for and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of Proprietary Fund measurement is upon determination of net income, changes in net position, financial position and cash flows. The accounting principles generally accepted in the United States of America applicable are those similar to businesses in the private sector. Proprietary funds are classified as enterprise or internal service; the Board has no internal service funds. The following is a description of the Proprietary Funds of the Board:

Enterprise Funds - The Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises -- where the intent of the Board is that the costs (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or, where the Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The Board's Enterprise Fund is comprised of the Food Service Fund.

FIDUCIARY FUNDS

Fiduciary Fund - Fiduciary Fund reporting focuses on net position and changes in net position. The Fiduciary Funds are used to account for assets held by the Board on behalf of individuals, private organizations, other governments and/or other funds. Fiduciary Funds include Unemployment Compensation Insurance, the Memorial Funds, Student Activities and Athletic Funds, and Payroll Agency Fund.

B. Measurement Focus:

District-wide Financial Statements

The District-wide statements (i.e., the statement of net position and the statement of activities) are prepared using the economic resources measurements focus and the accrual basis of accounting. All assets and liabilities associated with the operation of the Board are included on the statement of net position, except for fiduciary funds.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus: (continued)

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the District-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the District-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Board finances and meets the cash flow needs of its proprietary activities.

C. Basis of Accounting:

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. The District-wide financial statements and the financial statements of the proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Basis of Accounting: (continued)

Revenues - Exchange and Non-exchange Transactions, (continued)

Nonexchange transactions, in which the Board receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the Board must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the Board on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under GAAP, in accordance with GASB No. 33, Accounting and Financial Reporting for Nonexchange Transactions, the last state aid payment is not considered revenue to the school district if the state has not recorded the corresponding expenditure, even though state law dictates recording the revenue.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: ad valorem property taxes, tuition, unrestricted grants and interest.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue.

The measurement of focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Budgets/Budgetary Control: (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the Board has received advances, are reflected in the balance sheet as unearned revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

F. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Cash, Cash Equivalents and Investments: (continued)

Additionally, the Board has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

G. Tuition Payable:

Tuition charges were established by the receiving district. The charges are subject to adjustment when the final costs have been determined.

H. Inventories:

On District-wide financial statements, inventories are presented at cost, which approximates market on a first-in, first-out basis and are expensed when used.

On fund financial statements inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Inventories of proprietary funds consist of food and goods held for resale, as well as supplies, and are expensed when used.

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Capital Assets:

General capital assets are those assets not specifically related to activities reported in the enterprise fund. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the district-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activity column of the District-wide statement of net position and in the fund.

All capital assets acquired or constructed during the year are recorded at actual cost. Donated fixed assets are valued at their estimated fair market value on the date received. The capital assets acquired or constructed prior to June 30, 1993 are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Donated capital assets are valued at their estimated fair market value on the date received. The Board maintains a capitalization threshold of \$2,000.00. The Board does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activity Estimated Lives</u>
Sites and Improvements	20 years	N/A
Buildings and Improvements	7-50 years	N/A
Furniture, Equipment and Vehicles	5-20 years	5-20 years

L. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the Board and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the Board and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

M. Unearned Revenue:

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Unearned revenue in the special revenue fund represents cash that has been received but not yet earned. See Note 2(E) regarding the special revenue fund.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District has one item that meets this criterion, an unamortized loss on a bond defeasance for school refunding bonds. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period so will not be recognized as revenue until then. The District has one item that meets the criterion for this category - unamortized premium on sale of refunding bonds.

O. Accrued Liabilities and Long-term Obligations:

All payables, accrued liabilities and long-term obligations are reported in the District-wide financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgements, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment in the current year. Bonds, long-term obligations, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

P. Fund Balances:

Fund balance is divided into five classifications based primarily on the extent to which the Board is bound to observe constraints imposed upon the resources in the governmental funds. The classifications are as follows:

- **Nonspendable** fund balance includes amounts that are not in a spendable form (inventory, for example) or are required to be maintained intact (the principal of an endowment fund, for example).
- **Restricted** fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers (for example, grant providers), constitutionally, or through enabling legislation (that is, legislation that creates a new revenue source and restricts its use). Effectively, restrictions may be changed or lifted only with the consent of resource providers.
- **Committed** fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.
- **Assigned** fund balance comprises amounts *intended* to be used by the Board for specific purposes. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.
- **Unassigned** fund balance is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. If another governmental fund has a fund balance deficit, then it will be reported as a negative amount in the unassigned classification in that fund. Positive unassigned amounts will be reported only in the general fund.

Q. Net Position:

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Q. Net Position: (continued)

The Board applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

R. Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the Board, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund.

S. Extraordinary and Special Items:

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board and that are either unusual in nature or infrequent in occurrence.

On October 29, 2012, the District experienced significant damage to the roofs of both the Ostrovsky Middle and Doyle Elementary schools as a result of Super Storm Sandy. Additional expenditures were incurred for the replacement of floors, exhaust fans and power supply equipment as well as operating costs for air quality testing and in-house overtime wages. These expenditures were submitted, approved and reimbursed by the District's insurance carrier. The full amount of the claim of \$335,586 is recognized as revenue as an extraordinary item - insurance recovery for repair of impaired capital assets - Super Storm Sandy on the statement of activities.

T. Allocation of Indirect Expenses:

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. TPAF on-behalf contributions and changes in compensated absences have not been allocated and have been reported as unallocated benefits on the Statement of Activities. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities as unallocated depreciation. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

U. Use of Estimates:

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reports, amounts and disclosures. Accordingly, actual results could differ from those estimates.

V. Recent Accounting Pronouncements:

In August 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement, which is effective for fiscal periods beginning after December 15, 2012, was implemented for fiscal year ended June 30, 2013.

In October 2011, the Governmental Accounting Standards Board (GASB) issued Statement No. 66 "Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62". This statement, which is effective for fiscal periods beginning after December 15, 2012, amends and supersedes previously issued GASB statements to incorporate guidance that had been included in AICPA and FASB guidance. The statement will have a minimum, but undetermined impact on the proprietary fund financial statements of the District.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, is not anticipated to have any impact on the District's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, is not anticipated to have any impact on the District's financial reporting.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 18A:20-37 that are treated as cash equivalents. As of June 30, 2013, \$-0- of the District's bank balance of \$2,822,698 was exposed to custodial credit risk.

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS, (continued)

Investments

Investment Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 18A:20-37 limits school district investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America, bonds or other obligations of the school districts or bonds or other obligations of the local unit or units within which the school district is located: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer.

NOTE 4. RECEIVABLES

Receivables at June 30, 2013, consisted of accounts and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial <u>Statements</u>	Enterprise <u>Fund</u>	District Wide Financial <u>Statements</u>
State Aid	\$153,561	\$501	\$154,062
Federal Aid	74,595	12,190	86,785
Interfunds	72,559		1,000
Other	82,280		82,280
Taxes	<u>1,208,525</u>		<u>1,208,525</u>
Gross Receivables	1,591,520	12,691	1,532,652
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$1,591,520</u>	<u>\$12,691</u>	<u>\$1,532,652</u>

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 5. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at June 30, 2013, consisted of the following:

\$1,282	Due from the Agency Fund to the Unemployment Trust Fund for contributions.
71,553	Due to the General Fund from the Special Revenue Fund for short-term loans.
1,000	Due to the General Fund from the Agency Fund for reimbursement of expenses and interest earned on investments.
<u>6</u>	Due to the Debt Service Fund from the Capital Projects Fund to transfer interest earned on investments.
<u>\$73,841</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Being Depreciated				
Land Improvements	294,009			294,009
Buildings and Improvements	11,810,367	601,815		12,412,182
Machinery and Equipment	<u>1,043,585</u>	<u>47,624</u>		<u>1,091,209</u>
Total at Historical Cost	<u>13,147,961</u>	<u>649,439</u>		<u>13,797,400</u>
Less Accumulated Depreciation for:				
Land Improvements	(135,300)	(9,220)		(144,520)
Buildings and Improvements	(3,523,647)	(233,841)		(3,757,488)
Equipment	<u>(689,166)</u>	<u>(101,210)</u>		<u>(790,376)</u>
Total Accumulated Depreciation	<u>(4,348,113)</u>	<u>(344,271)</u>		<u>(4,692,384)</u>
Total Capital Assets, Being Depreciated, Net of Accumulated Depreciation	<u>8,799,848</u>	<u>305,168</u>		<u>9,105,016</u>
Governmental Activities Capital Assets, Net	<u>\$8,799,848</u>	<u>\$305,168</u>	<u>\$0</u>	<u>\$9,105,016</u>

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 6. CAPITAL ASSETS, (continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Business-Type Activity				
Equipment	\$70,450	\$2,200	\$	\$72,650
Less Accumulated Depreciation for: Equipment	<u>(46,741)</u>	<u>(3,060)</u>	<u> </u>	<u>(49,801)</u>
Business-Type Activity Capital Assets, Net	<u>\$23,709</u>	<u>(\$860)</u>	<u>\$ </u>	<u>\$22,849</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$43,383
Support Services - Instructional	15,803
General Administration	5,033
School Administration	35,403
Operations & Maintenance	1,713
Direct Expense of Various Functions	<u>242,936</u>
	<u>\$344,271</u>

NOTE 7. LONG-TERM OBLIGATION ACTIVITY

Changes in long-term obligations for the year ended June 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
School Bonds Payable	\$5,285,000	\$4,450,000	(\$4,700,000)	\$5,035,000	\$310,000
Other Liabilities:					
Compensated Absences Payable	<u>219,129</u>	<u>21,618</u>	<u>(17,049)</u>	<u>223,698</u>	<u> </u>
	<u>\$5,504,129</u>	<u>\$4,471,618</u>	<u>(\$4,717,049)</u>	<u>\$5,258,698</u>	<u>\$310,000</u>

Compensated absences have been liquidated in the general fund.

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 7. LONG-TERM OBLIGATION ACTIVITY, (continued)

A. School Bonds Payable

The District's bonds payable, serviced by the debt service fund, were issued to fund various school improvements approved via referendum on September 24, 2002. Principal and interest requirements are appropriated when due.

Principal and interest due on bonds outstanding are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$310,000	\$144,899	\$454,899
2015	320,000	138,350	458,350
2016	330,000	127,200	457,200
2017	345,000	117,075	462,075
2018	360,000	106,500	466,500
2019-2023	2,010,000	358,800	2,368,800
2024-2026	<u>1,360,000</u>	<u>61,650</u>	<u>1,421,650</u>
	<u>\$5,035,000</u>	<u>\$1,054,474</u>	<u>\$6,089,474</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2013 the Board had authorized but not issued bonds of \$521,000 with respect to the School Improvement Project approved by the voters on September 24, 2002.

C. Refunding Bonds

On January 31, 2013, the District issued \$4,450,000 in School Refunding Bonds with interest rates ranging from 1.5% to 3.0% to refund \$4,425,000 of the \$5,010,000 school bonds dated July 15, 2005 with an interest rate of 4%. The refunding bonds will mature on July 15, 2013 through July 15, 2025 and constitute a current refunding. The net proceeds from the issuance of the school refunding bonds were used to purchase U.S. government securities and those securities were deposited with an escrow agent who will pay the debt service requirements of the refunded bonds on July 15, 2014 at a redemption price equal to 100% of par.

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 8. OPERATING LEASES

The District has commitments to lease copying equipment and postage meters under operating leases which expire in February 2017. Total operating lease payments made during the year ended June 30, 2013 were \$56,424. Future minimum lease payments are as follows:

<u>Year Ended</u>	<u>Amount</u>
2014	52,626
2015	49,335
2016	27,060
2017	<u>18,040</u>
Total future minimum lease payments	<u>\$147,061</u>

NOTE9. PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625 or reports can be accessed on the internet at: http://www.state.nj.us/treasury/pensions/annrpts_archive.htm.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 9. PENSION PLANS, (continued)

Contribution Requirements - The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS and 5.5% for TPAF of the employee's annual compensation. Pursuant to the provisions of Chapter 78, P.L. 2011, this amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning in the first year. For fiscal year 2012, the member rate will increase in October 2011. The phase in will take place on July 1 of each subsequent fiscal year. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and TPAF. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

During the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

The Board's contribution to PERS, equal to the required contributions for each year, were as follows:

Year <u>Ending</u>	
6/30/13	\$144,181
6/30/12	163,353
6/30/11	194,610

The State of New Jersey contribution to TPAF (paid on-behalf of the District) for normal, post retirement benefits and NCGI Premium were as follows:

Year <u>Ending</u>	Pension <u>Contributions</u>	Post- Retirement Medical <u>Contributions</u>	NCGI <u>Premium</u>
6/30/13	\$406,414	\$483,731	\$21,383
6/30/12	194,067	431,989	20,326
6/30/11		432,411	20,358

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 9. PENSION PLANS, (continued)

During the year ended June 30, 2013, the State of New Jersey contributed \$911,528 to the TPAF for normal pension contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$464,751 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, and expanded under the provisions of Chapter 89, P.L. 2008 and Chapter 1, P.L. 2010. The program provides eligible members with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000 annually, the official may choose to waive participation in the DCRP for that office or position. The waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS. A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

The Board has employees who do not meet the requirements to join PERS or TPAF but hold a professional license or certificate and qualify for DCRP pursuant to foregoing requirements.

The Board contributed \$1,551 in fiscal year 2013 for the 5 employees enrolled in the DCRP.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees receiving post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2012, the State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members.

NOTE 11. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

Valic
Faculty Services

Equitable Equi-Vest

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages.

Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013

NOTE 12. RISK MANAGEMENT, (continued)

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$44,849	\$13,788	\$93,426	\$76,367
2011-2012	81,076	12,411	58,089	111,156
2010-2011	114,900	20,108	97,091	75,758

NOTE 13. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Borough of Wood-Ridge Board of Education by inclusion of \$1.00 on October 11, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). A district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to *N.J.S.A. 19:60-2*. Pursuant to *N.J.A.C. 6A:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Beginning balance, July 1, 2012	\$331,949
Withdrawals:	
Board Resolution - March 20, 2013	(295,540)
Interest Earnings	<u>1,572</u>
Ending balance, June 30, 2013	<u>\$37,981</u>

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 14. EMERGENCY RESERVE ACCOUNT

The emergency reserve is used to accumulate funds in accordance with N.J.S.A. 18A:7F-41c(1) to finance unanticipated general fund expenditures required for a thorough and efficient education. Unanticipated means reasonably unforeseeable and shall not include additional costs caused by poor planning. The maximum balance permitted at any time in this reserve is the greater of \$250,000 or 1% of the general fund budget not to exceed one million dollars. Deposits may be made to the emergency reserve account by board resolution at year end of any unanticipated revenue or unexpended line item appropriation or both. Withdrawals from the reserve require the approval of the commissioner unless the withdrawal is necessary to meet an increase in total health care costs in excess of four percent.

NOTE 15. FUND BALANCE APPROPRIATED

General Fund [Exhibit B-1] - Of the \$1,642,891 General Fund fund balance at June 30, 2013, \$48,978 is reserved for encumbrances; \$1,025,802 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$446,264 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2014); \$37,981 has been reserved in the Capital Reserve Account; \$100,000 has been reserved in the Emergency Reserve Account; \$103,391 has been designated for subsequent year's expenditures; and \$308,739 is unreserved and undesignated.

Debt Service Fund - Of the \$15,317 Debt Service Fund balance, \$337 has been appropriated and included as anticipated revenue for the year ended June 30, 2014 and \$14,980 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7 as amended, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2013 is \$1,025,802; \$579,538 is the result of current year activity.

NOTE 17. INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food	\$1,218
Supplies	<u>607</u>
	<u>\$1,825</u>

The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by USDA. It is valued at estimated market prices by USDA. The amount of unused commodities at year end is reported on Schedule A as deferred revenue.

**Borough of Wood-Ridge School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2013**

NOTE 18. CONTINGENT LIABILITIES

Grant Programs - The school district participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The school district is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation - The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

NOTE 19. CHANGE IN ACCOUNTING PRINCIPLES

The District implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities*, in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources.

NOTE 20. SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 6, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	14,111,839		14,111,839	14,111,839	-
Tuition	1,458,163		1,458,163	1,249,073	(209,090)
Interest earned on Capital Reserve Funds	1,000		1,000	1,572	572
Miscellaneous	21,000		21,000	202,048	181,048
Total - Local Sources	15,592,002	-	15,592,002	15,564,532	(27,470)
State Sources:					
Categorical Special Education Aid	661,792		661,792	661,792	-
Equalization Aid	45,057		45,057	45,057	-
Categorical Security Aid	20,135		20,135	20,135	-
Categorical Transportation Aid	29,256		29,256	29,256	-
Extraordinary Aid		140,205	140,205	150,770	10,565
TPAF Pension and Post Retirement Medical Contributions (On-Behalf - Non-Budgeted)			-	483,731	483,731
TPAF Pension Contribution (On-Behalf - Non-Budgeted)			-	406,414	406,414
TPAF NCGI Premium (On-Behalf - Non-Budgeted)			-	21,383	21,383
TPAF Social Security (Reimbursed - Non-Budgeted)			-	464,751	464,751
Total - State Sources	756,240	140,205	896,445	2,283,289	1,386,844
TOTAL REVENUES	16,348,242	140,205	16,488,447	17,847,821	1,359,374
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	312,720	-	312,720	304,341	8,379
Grades 1-5 - Salaries of Teachers	1,290,355	45,000	1,335,355	1,306,734	28,621
Grades 6-8 - Salaries of Teachers	978,175	(138,400)	839,775	824,096	15,679
Grades 9-12 - Salaries of Teachers	1,661,406	68,360	1,729,766	1,700,990	28,776
Regular Programs - Home Instruction:					
Salaries of Teachers	5,000	3,915	8,915	8,911	4
Purchased Prof. Educational Services	5,000	10,625	15,625	15,624	1
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	72,006	-	72,006	72,006	-
Purchased Prof. Educational Services	107,695	(69,185)	38,510	38,052	458
Purchased Technical Services	4,300	(1,955)	2,345	2,298	47
Other Purchased Services (400-500 series)	91,120	11,435	102,555	102,410	145
General Supplies	200,088	5,571	205,659	179,138	26,521
Textbooks	99,387	36,724	136,111	127,767	8,344
Other Objects	4,000	(901)	3,099	1,215	1,884
TOTAL REGULAR PROGRAMS - INSTRUCTION	4,831,252	(28,811)	4,802,441	4,683,582	118,859
SPECIAL EDUCATION - INSTRUCTION					
Resource Room/Resource Center:					
Salaries of Teachers	717,415	7,700	725,115	724,860	255
Other Salaries for Instruction	136,532	(38,700)	97,832	97,799	33
General Supplies	38,600	(28,030)	10,570	6,301	4,269
Textbooks	850	-	850	-	850
Total Resource Room/Resource Center	893,397	(59,030)	834,367	828,960	5,407
TOTAL SPECIAL EDUCATION - INSTRUCTION	893,397	(59,030)	834,367	828,960	5,407
Basic Skills/Remedial - Instruction					
Salaries of Teachers	150,196	-	150,196	150,196	-
General Supplies	1,500	-	1,500	670	830
Total Basic Skills/Remedial - Instruction	151,696	-	151,696	150,866	830
Bilingual Education - Instruction					
Salaries of Teachers	60,782	-	60,782	50,368	10,414
Purchased Prof. Educational Services	775	(75)	700	324	376
General Supplies	650	75	725	700	25
Total Bilingual Education - Instruction	62,207	-	62,207	51,392	10,815
School-Sponsored Cocurricular Activities - Instruction					
Salaries	89,359	-	89,359	73,543	15,816
Supplies and Materials	8,604	(2,304)	6,300	3,625	2,675
Other Objects	10,000	-	10,000	2,923	7,077
Total School-Sponsored Cocurricular Activities - Instruction	107,963	(2,304)	105,659	80,091	25,568

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction					
Salaries	230,874	(36,850)	194,024	190,567	3,457
Purchased Services (300-500 series)	84,041	(3,150)	80,891	58,885	22,006
Supplies and Materials	52,630	(3,221)	49,409	44,426	4,983
Other Objects	9,015	5,525	14,540	12,985	1,555
Total School-Sponsored Athletics - Instruction	376,560	(37,696)	338,864	306,863	32,001
Other Instructional Programs - Instruction					
Other Objects	1,200	-	1,200	979	221
Total Other Instructional Programs - Instruction	1,200		1,200	979	221
TOTAL INSTRUCTION	6,424,275	(127,841)	6,296,434	6,102,733	193,701
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	333,184	602,549	935,733	930,668	5,065
Tuition to County Voc. School Dist. - Regular	337,430	1,001	338,431	338,430	1
Tuition to County Voc. School Dist. - Special	198,960	71,200	270,160	243,030	27,130
Tuition to CSSD & Regional Day Schools	953,360	(523,100)	430,260	427,989	2,271
Tuition to Private Schools for the Disabled - Within State	802,229	137,300	939,529	932,805	6,724
Total Undistributed Expenditures - Instruction:	2,625,163	288,950	2,914,113	2,872,922	41,191
Undist. Expend. - Health Services					
Salaries	109,136	1,950	111,086	111,086	-
Purchased Professional and Technical Services	12,170	375	12,545	12,534	11
Other Purchased Services (400-500 series)	250	-	250	225	25
Supplies and Materials	7,150	(3,069)	4,081	4,029	52
Total Undistributed Expenditures - Health Services	128,706	(744)	127,962	127,874	88
Undist. Expend. - Speech, OT, PT & Related Svcs					
Salaries	140,385	-	140,385	136,200	4,185
Purchased Professional- Education Services	425,380	(83,600)	341,780	330,615	11,165
Supplies and Materials	805	-	805	152	653
Total Undist. Expend. - Speech, OT, PT & Related Svcs	566,570	(83,600)	482,970	466,967	16,003
Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.					
Salaries	63,966	(13,070)	50,896	45,384	5,512
Purchased Prof. Educational Services	16,900	3,700	20,600	20,595	5
Total Undist. Expend. - Other Supp. Serv. Students-Extra. Serv.	80,866	(9,370)	71,496	65,979	5,517
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	269,977	49,630	319,607	319,468	139
Salaries of Secretarial and Clerical Assistants	60,243	(7,580)	52,663	48,509	4,154
Purchased Professional - Educational Services	54,500	(45,500)	9,000	7,895	1,105
Other Purchased Services (400-500 series)	500	-	500		500
Supplies and Materials	10,654	(6,300)	4,354	3,073	1,281
Other Objects	300	-	300		300
Total Undist. Expend. - Guidance	396,174	(9,750)	386,424	378,945	7,479
Undist. Expend. - Child Study Teams					
Salaries of Other Professional Staff	241,311	(200,076)	41,235	41,235	-
Salaries of Secretarial and Clerical Assistants	41,235	(41,235)			-
Purchased Professional - Educational Services	8,625	333,011	341,636	339,985	1,651
Other Purchased Prof. and Tech. Services	6,925	(800)	6,125	6,075	
Misc Purchased Service (400-500 series o/then Resid Costs)	500	(500)			-
Supplies and Materials	11,825	(2,400)	9,425	8,315	1,110
Other Objects	3,000	(3,000)			-
Total Undist. Expend. - Child Study Teams	313,421	85,000	398,421	395,610	2,811
Undist. Expend. - Improvement of Inst. Serv.					
Salaries of Supervisor of Instruction	90,000	(5,300)	84,700	84,692	8
Other Purchased Services (400-500 series)	500	1,790	2,290	2,166	124
Supplies and Materials	2,000	2,460	4,460	4,395	65
Other Objects	-	850	850	849	1
Total Undist. Expend. - Improvement of Inst. Serv.	92,500	(200)	92,300	92,102	197
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	157,796	-	157,796	157,796	-
Other Purchased Services (400-500 series)	19,038	(2,850)	16,188	9,951	6,237
Supplies and Materials	6,054	1,000	7,054	6,243	811
Total Undist. Expend. - Educational Media Serv./Sch. Library	182,888	(1,850)	181,038	173,990	7,048

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Instructional Staff Training Serv.					
Purchased Professional - Educational Services	15,000	13,410	28,410	27,959	
Other Purchased Services (400-500 series)	-	1,625	1,625	795	830
Supplies and Materials	-	2,120	2,120	1,980	140
Total Undist. Expend. - Instructional Staff Training Serv.	15,000	17,155	32,155	30,734	1,421
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	233,450	5,154	238,604	228,763	9,841
Legal Services	40,000	14,000	54,000	44,215	9,785
Audit Fees	54,000	(5,000)	49,000	24,500	24,500
Architectural/Engineering Services	10,000	10,000	20,000	6,135	13,865
Other Purchased Professional Services	18,850	4,846	23,696	18,691	5,005
Communications/Telephone	63,200	1,200	64,400	63,974	426
BOE Other Purchased Prof. Services	-	3,000	3,000	2,561	439
Other Purchased Services (400-500 series)	38,500	4,000	42,500	40,203	2,297
General Supplies	10,500	(3,200)	7,300	6,978	322
Miscellaneous Expenditures	4,000	-	4,000	3,857	143
BOE Membership Dues and Fees	10,000	(2,000)	8,000	7,187	813
Total Undist. Expend. - Supp. Serv. - General Administration	482,500	32,000	514,500	447,064	67,436
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	494,767	50,100	544,867	540,200	4,667
Salaries of Other Professional Staff	202,885	(202,885)			-
Salaries of Secretarial and Clerical Assistants	-	202,885	202,885	196,791	6,094
Other Purchased Services (400-500 series)	23,207	580	23,787	21,881	1,906
Supplies and Materials	47,123	5,250	52,373	48,339	4,034
Other Objects	3,600	720	4,320	4,189	131
Total Undist. Expend. - Support Serv. - School Administration	771,582	56,650	828,232	811,400	16,832
Undist. Expend. - Central Services					
Salaries	228,500	8,000	236,500	236,422	78
Purchased Professional Services	29,400	16,200	45,600	37,537	8,063
Purchased Technical Services	1,795	2,355	4,150	4,050	100
Misc. Purchased Services (400-500 series)	18,700	1,200	19,900	11,835	8,065
Supplies and Materials	26,500	(50)	26,450	8,817	17,633
Miscellaneous Expenditures	2,000	-	2,000	1,215	785
Total Undist. Expend. - Central Services	306,895	27,705	334,600	299,876	34,724
Undist. Expend. - Admin. Info. Technology					
Salaries	100,728	4,100	104,828	104,826	2
Purchased Prof. Services	11,900	(6,100)	5,800	5,749	51
Purchased Technical Services	-	11,900	11,900	5,085	6,815
Other Purchased Services (400-500 series)	500	-	500	-	500
Supplies and Materials	29,500	(9,900)	19,600	14,501	5,099
Other Objects	500	-	500	327	173
Total Undist. Expend. - Admin. Info. Technology	143,128		143,128	130,488	12,640
Undist. Expend. - Required Maint. for School Facilities					
Salaries	176,000	4,950	180,950	171,317	9,633
Cleaning, Repair and Maintenance Services	158,030	28,500	186,530	182,354	4,176
General Supplies	8,500	(7,780)	720	70	650
Other Objects	1,500	4,930	6,430	6,418	12
Undist. Expend. - Required Maint. for School Facilities	344,030	30,600	374,630	360,159	14,471
Undist. Expend. - Custodial Services					
Salaries	525,000	6,000	531,000	526,248	4,752
Salaries of Non-Instructional Aides	6,000	-	6,000	4,400	1,600
Purchased Professional and Technical Services	18,200	(4,000)	14,200	9,658	4,542
Cleaning, Repair and Maintenance Services	23,800	(11,520)	12,280	7,013	5,267
Rental of Land & Bldg. Other Than Lease Purchase Agreement	1	1,620	1,621	1,620	1
Other Purchased Property Services	15,800	-	15,800	15,248	552
Insurance	70,000	(4,000)	66,000	65,975	25
Travel	-	400	400	225	175
Miscellaneous Purchased Services	55,350	(24,565)	30,785	30,000	785
General Supplies	99,750	(1,680)	98,070	95,077	2,993
Energy (Natural Gas)	205,000	(18,722)	186,278	88,958	97,320
Energy (Energy and Electricity)	191,000	-	191,000	167,203	23,797
Other Objects	2,500	(320)	2,180	928	1,252
Total Undist. Expend. - Custodial Services	1,212,401	(56,787)	1,155,614	1,012,553	143,061

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Care and Upkeep of Grounds					
Salaries	22,560	-	22,560	19,832	2,728
Purchased Professional and Technical Services	10,000	(10,000)	-	-	-
Cleaning, Repair and Maintenance Services	5,100	100	5,200	2,004	3,196
General Supplies	5,000	(3,100)	1,900	1,714	186
Total Undist. Expend. - Care and Upkeep of Grounds	42,660	(13,000)	29,660	23,550	6,110
Undist. Expend. - Security					
Purchased Professional and Technical Services	17,000	(425)	16,575	14,597	1,978
Cleaning, Repair and Maintenance Services	1,500	(1,000)	500	-	500
General Supplies	500	-	500	-	500
Total Undist. Expend. - Security	19,000	(1,425)	17,575	14,597	2,478
Total Undist. Expend. - Other Oper. & Maint. Of Plant	1,618,091	(40,612)	1,577,479	1,410,859	166,620
Undist. Expend. - Student Transportation Services					
Salaries for Pupil Trans (Other than Between Home and School)	30,000	2,800	32,800	32,704	96
Management Fee - ESC Transp. Prog.	-	10,800	10,800	10,763	37
Cleaning, Repair, & Maintenance Services	4,750	(1,500)	3,250	2,490	760
Contract Services (Other than Between Home & School)-Vendors	30,000	(2,775)	27,225	27,224	1
Contract Services (Bet. Home & Sch) - Joint Agrmnts	63,000	(3,125)	59,875	59,775	100
Contract Service (Spl. Ed Students)-ESC's & CTSA's	386,900	28,750	415,650	414,687	963
Contract Services (Sp Ed Stds) - Joint Agrmnts	22,000	(8,500)	13,500	13,500	-
Miscellaneous Purchased Services - Transportation	5,250	(4,400)	850	822	28
Misc. Expenditures	500	-	500	100	400
Total Undist. Expend. - Student Transportation Services	542,400	22,050	564,450	562,065	2,385
UNALLOCATED BENEFITS					
Social Security Contributions	180,000	-	180,000	178,681	1,319
Other Retirement Contributions - PERS	160,000	(10,000)	150,000	149,168	832
Unemployment Compensation	50,000	5,400	55,400	55,334	66
Worker's Compensation	70,000	(1,000)	69,000	65,980	3,020
Health Benefits	1,745,680	(127,574)	1,618,106	1,611,364	6,742
Tuition Reimbursement	30,000	-	30,000	15,187	14,813
Other Employee Benefits	30,000	-	30,000	22,801	7,199
TOTAL UNALLOCATED BENEFITS	2,265,680	(133,174)	2,132,506	2,098,515	33,991
On-behalf TPAF pension Contributions and Post Retirement					
Medical Benefits (non-budgeted)	-	-	-	911,528	(911,528)
Reimbursed TPAF Social Security Contributions (non-budgeted)	-	-	-	464,751	(464,751)
TOTAL ON-BEHALF CONTRIBUTIONS	-	-	-	1,376,279	(1,376,279)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	2,265,680	(133,174)	2,132,506	3,474,794	(1,342,288)
TOTAL UNDISTRIBUTED EXPENDITURES	10,531,564	250,210	10,781,774	11,741,669	(960,396)
TOTAL GENERAL CURRENT EXPENSE	16,955,839	122,369	17,078,208	17,844,402	(766,194)
CAPITAL OUTLAY					
Equipment:					
Grades 6-8	3,443	-	3,443	3,443	-
Grades 9-12	3,443	-	3,443	3,443	-
School -Spons. & other instruction programs	11,385	-	11,385	11,385	-
Undistributed					
Undist. Expend. - Required Maint. For School Facilities	7,900	301,586	309,486	273,986	35,500
Undist. Expend. - Custodial Services	-	2,565	2,565	2,565	-
Undist. Expend. - Security	26,788	1	26,789	26,789	-
Total Equipment	52,959	304,152	357,111	321,611	35,500
Facilities Acquisition of Construction Serv.					
Other Objects	29,575	-	29,575	29,575	-
Total Facilities Acquisition and Construction	29,575	-	29,575	29,575	-
Total Capital Outlay	82,534	304,152	386,686	351,186	35,500
Transfer of Funds to Charter Schools	27,673	9,224	36,897	36,897	-
TOTAL EXPENDITURES	17,066,046	435,745	17,501,791	18,232,485	(730,694)

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(717,804)	(295,540)	(1,013,344)	(384,664)	628,680
Other Financing Sources/(Uses):					
Insurance Recovery Related to Impaired Capital Asset - Super Storm Sandy				335,586	335,586
Insurance Recovery Related to Other Costs of Super Storm Sandy				2,500	2,500
Super Storm Sandy related Expenditures - Capital Assets				(335,586)	(335,586)
Super Storm Sandy related Expenditures - Required Maintenance - Cleaning, Repair and Maintenance Svcs				(2,500)	(2,500)
Total Other Financing Sources/(Uses):	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	(717,804)	(295,540)	(1,013,344)	(384,664)	628,680
Fund Balance, July 1	2,048,505		2,048,505	2,048,505	-
Fund Balance, June 30	<u>1,330,701</u>	<u>(295,540)</u>	<u>1,035,161</u>	<u>1,663,841</u>	<u>628,680</u>
Recapitulation of excess (deficiency) of revenues under expenditures					
Adjustment for prior years encumbrances	(97,938)		(97,938)		97,938
Budgeted Withdrawal - Capital Reserve to Capital Outlay		(295,540)	(295,540)	(295,540)	
Increase in Capital Reserve					
Interest	1,000		1,000	1,572	572
Budgeted Fund Balance	<u>(620,866)</u>		<u>(620,866)</u>	<u>(90,696)</u>	<u>530,170</u>
	<u>(717,804)</u>	<u>(295,540)</u>	<u>(1,013,344)</u>	<u>(384,664)</u>	<u>628,680</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				37,981	
Emergency Reserve				100,000	
Excess Surplus - Designated for Subsequent Years' Expenditures				446,264	
Excess Surplus - Current Year				579,538	
Committed Fund Balance:					
Year-End Encumbrances				47,728	
Assigned Fund Balance:					
Year-End Encumbrances				1,250	
Designated for Subsequent Years' Expenditures				103,391	
Unassigned Fund Balance				<u>347,689</u>	
				1,663,841	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP Basis				(38,950)	
Fund Balance per Governmental Funds (GAAP)				<u>1,624,891</u>	

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	3,000	8,000	11,000	8,152	(2,848)
Federal Sources	283,146	68,140	351,286	348,423	(2,863)
Total Revenues	286,146	76,140	362,286	356,575	(5,711)
EXPENDITURES:					
Instruction:					
Other Purchased Services (400-500 series)	208,392	48,812	257,204	257,204	-
General Supplies	59,063	15,151	74,214	73,138	1,076
Total instruction	267,455	63,963	331,418	330,342	1,076
Support services:					
Purchased Professional and Technical Services	15,691	3,819	19,510	17,712	1,798
Other Purchased Services		1,592	1,592	1,393	199
Supplies & Materials	3,000	4,660	7,660	5,128	2,532
Other Objects		2,106	2,106	2,000	106
Total support services	18,691	12,177	30,868	26,233	4,635
Total Expenditures	286,146	76,140	362,286	356,575	5,711
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

WOOD-RIDGE BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
For the Fiscal Year Ended June 30, 2013

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

		General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue"			
from the budgetary comparison schedule	[C-1],[C-2]	17,847,821	356,575
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes		39,167	
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)		(38,950)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	17,848,038	356,575
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1],[C-2]	18,232,485	356,575
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	18,232,485	356,575

SPECIAL REVENUE FUND

WOOD-RIDGE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total	Title I Improving Basic Programs	Title I Improving Basic Programs Carryover	Title II, Part A Teacher & Principal Training & Recruiting	Title II, Part A Teacher & Principal Training & Recruiting Carryover	Title III, English Language Acq. & Language Enrichment	Totals 2013
REVENUES							
Local Sources	8,152						8,152
Federal Sources	257,204	66,253	4,119	14,941	2,771	3,135	348,423
Total Revenues	265,356	66,253	4,119	14,941	2,771	3,135	356,575
EXPENDITURES:							
Instruction:							
Other Purchased Services (400-500 series)	257,204		4,119			2,677	257,204
General Supplies	1,024	65,318					73,138
Total instruction	258,228	65,318	4,119	-	-	2,677	330,342
Support Services:							
Purchased Professional and Technical Services	-			14,941	2,771		17,712
Other Purchased Services	-	935				458	1,393
Supplies & Materials	5,128						5,128
Other Objects	2,000						2,000
Total support services	7,128	935	-	14,941	2,771	458	26,233
Total Expenditures	265,356	66,253	4,119	14,941	2,771	3,135	356,575
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-	-

WOOD-RIDGE BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1b)	I.D.E.A. Part B Basic	I.D.E.A. Part B Basic Carryover	I.D.E.A. Part B Preschool	I.D.E.A. Part B Preschool Carryover	Total Carried Forward
REVENUES						
Local Sources	8,152					8,152
State Sources	-					-
Federal Sources	-	231,516	10,990	11,348	3,350	257,204
Total Revenues	8,152	231,516	10,990	11,348	3,350	265,356
EXPENDITURES:						
Instruction:						
Other Purchased Services (400-500 series)	-	231,516	10,990	11,348	3,350	257,204
General Supplies	1,024					1,024
Total instruction	1,024	231,516	10,990	11,348	3,350	258,228
Support services:						
Purchased Professional and Technical Services	-					-
Other Purchased Services	-					-
Supplies & Materials	5,128					5,128
Other Objects	2,000					2,000
Total support services	7,128	-	-	-	-	7,128
Total Expenditures	8,152	231,516	10,990	11,348	3,350	265,356
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

WOOD-RIDGE BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2013

	Total Brought Forward (Ex. E-1c)	Target	Environmental Awareness Grant	MSG Varsity	Dolye School Microphone System	Total Carried Forward
REVENUES						
Local Sources	1,629	478	73	5,962	10	8,152
State Sources	-					-
Federal Sources	-					-
Total Revenues	1,629	478	73	5,962	10	8,152
EXPENDITURES:						
Instruction:						
Other Purchased Services (400-500 series)	-					-
General Supplies	473	478	73			1,024
Total instruction	473	478	73	-	-	1,024
Support services:						
Purchased Professional and Technical Services	-					-
Other Purchased Services	-					-
Supplies & Materials	1,156			3,962	10	5,128
Other Objects	-			2,000		2,000
Total support services	1,156	-	-	5,962	10	7,128
Total Expenditures	1,629	478	73	5,962	10	8,152
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-	-	-	-

WOOD-RIDGE BOARD OF EDUCATION

Special Revenue Fund

Combining Schedule of Program Revenues and Expenditures - Budgetary Basis

For the Fiscal Year Ended June 30, 2013

	Exxon Grant	Juvenile Diabetes	Total Carried Forward
REVENUES			
Local Sources	1,156	473	1,629
State Sources			-
Federal Sources			-
Total Revenues	1,156	473	1,629
EXPENDITURES:			
Instruction:			
Other Purchased Services (400-500 series)			-
General Supplies		473	473
Total instruction	-	473	473
Support services:			
Purchased Professional and Technical Services			-
Other Purchased Services			-
Supplies & Materials	1,156		1,156
Other Objects			-
Total support services	1,156	-	1,156
Total Expenditures	1,156	473	1,629
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Sources (Uses)	-	-	-

CAPITAL PROJECTS FUND

WOOD-RIDGE BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Year Ended June 30, 2013

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Interest on Investments	6
Federal Sources - Community Development Block Grant	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
	<hr/>
	6
	<hr/>

Expenditures and Other Financing Uses

Purchased professional and technical services	-
Land and improvements	-
Construction services	-
Equipment purchases	-
	<hr/>
	-
	<hr/>

Excess (deficiency) of revenues over (under) expenditures	6
-----------------------------------------------------------	---

Other Financing Sources (Uses)

Transfers Out - Debt Service Fund	<hr/> (275,006)
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Fund balance - beginning	<hr/> 1,152,681
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Fund balance - ending	<hr/> <hr/> 877,681
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WOOD-RIDGE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Various School Improvements
From Inception and for the Year Ended June 30, 2012

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
EDA Loan proceeds	299,304		299,304	
Community Development Block Grant	42,169		42,169	
	<u>341,473</u>	<u>-</u>	<u>341,473</u>	<u>-</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	13,908		13,908	
Land and improvements			-	
Construction services	299,522		299,522	
Equipment purchases			-	
	<u>313,430</u>	<u>-</u>	<u>313,430</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,043</u>	<u>-</u>	<u>28,043</u>	<u>-</u>
Additional project information:				
Project number	xxxxxx			
Grant Date				
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	347,634			
Additional authorized cost				
Revised authorized cost	341,473			
Percentage increase over original authorized cost	-			
Percentage completion	92%			
Original target completion date				
Revised target completion date				

WOOD-RIDGE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Catherine E. Doyle Elementary - Additions and Renovations/Kitchen upgrades/Renovations to School Field
From Inception and for the Year Ended June 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	1,045,200		1,045,200	1,045,200
Bond proceeds and transfers	4,738,068		4,738,068	5,259,068
	<u>5,783,268</u>	<u>-</u>	<u>5,783,268</u>	<u>6,304,268</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	1,261,494		1,261,494	1,209,138
Land and improvements			-	
Construction services	3,218,820		3,218,820	4,924,290
Equipment purchases	178,316		178,316	170,840
	<u>4,658,630</u>	<u>-</u>	<u>4,658,630</u>	<u>6,304,268</u>
Other Financing Uses/ (Sources)				
Unexpended bond proceeds transferred to Debt Service Fund	<u>-</u>	<u>(275,000)</u>	<u>(275,000)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,124,638</u>	<u>(275,000)</u>	<u>849,638</u>	<u>-</u>
Additional project information:				
Project number	5830-060-02-0171			
Grant Date	12/27/2002			
Bond authorization date	9/24/2002			
Bonds authorized	3,462,000			
Bonds issued	3,185,000			
Original authorization cost	4,507,000			
Additional authorized cost	1,797,268			
Revised authorized cost	6,304,268			
Percentage increase over original authorized cost	0.40			
Percentage completion	74%			
Original target completion date	Jun-04			
Revised target completion date	Dec-04			

WOOD-RIDGE BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Wood-Ridge Middle/High School - Renovations
From Inception and for the Year Ended June 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	2,372,800		2,372,800	2,372,800
Bond proceeds and transfers	1,761,932		1,761,932	1,761,932
	<u>4,134,732</u>	<u>-</u>	<u>4,134,732</u>	<u>4,134,732</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	634,741		634,741	634,741
Land and improvements			-	
Construction services	3,146,042		3,146,042	3,146,042
Equipment purchases	353,949		353,949	353,949
	<u>4,134,732</u>	<u>-</u>	<u>4,134,732</u>	<u>4,134,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Additional project information:				
Project number	5830-050-02-0172			
Grant Date	12/7/2002			
Bond authorization date	9/24/2002			
Bonds authorized	3,559,200			
Bonds issued	3,315,000			
Original authorization cost	5,932,000			
Additional authorized cost	(1,797,268)			
Revised authorized cost	4,134,732			
Percentage increase over original authorized cost	(0.30)			
Percentage completion	100%			
Original target completion date	Jun-04			
Revised target completion date	Nov-04			

WOOD-RIDGE BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
For the Fiscal Year Ended June 30, 2013

Project Title/Issue	Date	Appropriations	Expenditures to Date		Transferred to Debt Service Fund	Unexpended Balance June 30, 2013
			Prior Years	Current Year		
Tank Removal	4/20/93	43,346	48,446			(5,100)
Ventilation Renovations	4/20/93	11,900	15,768			(3,868)
Concrete work, steps and walls	4/20/93	3,000	2,750			250
Classroom corridor door replacement	4/20/93	101,565	102,123			(558)
Restroom shower renovations	4/20/93	123,839	82,105			41,734
Architect Fees	4/20/93	9,493	13,908			(4,415)
Wheel Chair Lifts	4/20/93	48,330	48,330			
Various School Improvements	9/24/02	10,439,000	8,793,362		275,000	1,370,638
		10,780,473	9,106,792		275,000	1,398,681
Analysis						
				Project Balance - June 30, 2013		1,398,681
				Unfunded Authorizations		(521,000)
				Fund Balance (Deficit) - June 30, 2013		877,681

PROPRIETARY FUNDS

WOOD-RIDGE BOARD OF EDUCATION
Combining Statement of Net Position
Enterprise Funds
June 30, 2013

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	73,987	73,987
Accounts receivable:		
State	501	501
Federal	12,190	12,190
Inventories	1,825	1,825
Total current assets	<u>88,503</u>	<u>88,503</u>
Noncurrent assets:		
Capital assets:		
Equipment	72,650	72,650
Less accumulated depreciation	<u>(49,801)</u>	<u>(49,801)</u>
Total capital assets (net of accumulated depreciation)	<u>22,849</u>	<u>22,849</u>
Total assets	<u><u>111,352</u></u>	<u><u>111,352</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	<u>61,922</u>	<u>61,922</u>
Total current liabilities	<u>61,922</u>	<u>61,922</u>
Total liabilities	<u><u>61,922</u></u>	<u><u>61,922</u></u>
NET POSITION		
Net Investment in Capital Assets	22,849	22,849
Unrestricted	<u>26,581</u>	<u>26,581</u>
Total net position	<u><u>49,430</u></u>	<u><u>49,430</u></u>

WOOD-RIDGE BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Program</u>	<u>Totals</u>
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	132,189	132,189
Daily sales - non-reimbursable programs	161,934	161,934
Total operating revenues	<u>294,123</u>	<u>294,123</u>
Operating expenses:		
Cost of sales	183,193	183,193
Salaries	147,262	147,262
Supplies and materials	28,470	28,470
Employee benefits	21,247	21,247
Cleaning repair & maintenance	4,769	4,769
Purchased property services	27,250	27,250
Depreciation	3,060	3,060
Total Operating Expenses	<u>415,251</u>	<u>415,251</u>
Operating income (loss)	<u>(121,128)</u>	<u>(121,128)</u>
Nonoperating revenues (expenses):		
State sources:		
State school lunch program	3,188	3,188
Federal sources:		
National school lunch program	71,899	71,899
Food distribution program	17,530	17,530
Prior year prepaids realized	9,672	9,672
Moonachie Board of Education - reimbursement for servicing students during Hurricane closure	<u>13,744</u>	<u>13,744</u>
Total nonoperating revenues (expenses)	<u>116,033</u>	<u>116,033</u>
Income (loss) before contributions & transfers	<u>(5,095)</u>	<u>(5,095)</u>
Transfers in (out)		-
Change in net position	<u>(5,095)</u>	<u>(5,095)</u>
Total net position—beginning,	<u>54,525</u>	<u>54,525</u>
Total net position—ending	<u><u>49,430</u></u>	<u><u>49,430</u></u>

WOOD-RIDGE BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2013

	<u>Food Service Program</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	294,123	294,123
Payments to Outside Food Service Management Company	(379,754)	(379,754)
Payments for repairs, maintenance	(4,769)	(4,769)
Payments for supplies	(6,093)	(6,093)
Net cash provided by (used for) operating activities	<u>(96,493)</u>	<u>(96,493)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	3,212	3,212
Federal Sources	71,261	71,261
Operating subsidies and transfers to other funds	13,744	13,744
Net cash provided by (used for) non-capital financing activities	<u>88,217</u>	<u>88,217</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,200)	(2,200)
Net cash provided by (used for) capital and related financing activities	<u>(2,200)</u>	<u>(2,200)</u>
Net increase (decrease) in cash and cash equivalents	(10,476)	(10,476)
Balances—beginning of year	84,463	84,463
Balances—end of year	<u>73,987</u>	<u>73,987</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(121,128)	(121,128)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities		
Depreciation and net amortization	3,060	3,060
Food Distribution Program	17,530	17,530
(Increase) decrease in inventories	4,672	4,672
Increase (decrease) in accounts payable	(627)	(627)
Total adjustments	<u>24,635</u>	<u>24,635</u>
Net cash provided by (used for) operating activities	<u>(96,493)</u>	<u>(96,493)</u>

FIDUCIARY FUND

WOOD-RIDGE BOARD OF EDUCATION
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	<u>Unemployment Compensation Trust Fund</u>	<u>Private Purpose Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	85,737	18,592	115,296
Intrafund Receivable	1,282		
Total assets	<u>87,019</u>	<u>18,592</u>	<u>115,296</u>
LIABILITIES			
Payable to student groups			101,637
Payroll deductions and withholding			11,377
Interfund - General Fund			1,000
Intrafund Payable			1,282
Unemployment claims payable	10,652		
Total liabilities	<u>10,652</u>		<u>115,296</u>
NET POSITION			
Held in trust for unemployment claims and other purposes	<u>76,367</u>		
Reserved for scholarships		<u>18,592</u>	

WOOD-RIDGE BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Unemployment Compensation Trust Fund	Private Purpose Scholarship Fund
ADDITIONS		
Contributions:		
Scholarship donations		1,000
Employee Contributions	13,788	
Board Contributions	44,359	
Total Contributions	<u>58,147</u>	<u>1,000</u>
Investment earnings:		
Interest	490	26
Net investment earnings	490	26
Total additions	<u>58,637</u>	<u>1,026</u>
DEDUCTIONS		
Unemployment claims	93,426	
Scholarships		2,250
Total deductions	<u>93,426</u>	<u>2,250</u>
Change in net position	(34,789)	(1,224)
Net position—beginning of the year	111,156	19,816
Net position—end of the year	<u><u>76,367</u></u>	<u><u>18,592</u></u>

WOOD-RIDGE BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2013</u>
High School	96,180	243,115	237,735	101,560
	<u>96,180</u>	<u>243,115</u>	<u>237,735</u>	<u>101,560</u>
 Athletic Account	 322	 24,203	 24,448	 77
	<u>322</u>	<u>24,203</u>	<u>24,448</u>	<u>77</u>
	<u>96,502</u>	<u>267,318</u>	<u>262,183</u>	<u>101,637</u>

WOOD-RIDGE BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
for the Fiscal Year ended June 30, 2013

	<u>Balance July 1, 2012</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2013</u>
Net Payroll	1,494	5,325,501	5,319,682	7,313
Payroll Deductions and Withholdings	75,675	4,013,579	4,085,190	4,064
Interfund Payable	<u>12,185</u>	<u>1,186</u>	<u>12,371</u>	<u>1,000</u>
	<u><u>89,354</u></u>	<u><u>9,340,266</u></u>	<u><u>9,417,243</u></u>	<u><u>12,377</u></u>

LONG-TERM DEBT

WOOD-RIDGE BOARD OF EDUCATION
General Long Term Debt Account Group
Statement of School Bonds Payable
June 30, 2013

ISSUE	Date of Issue	Amount of Issue	Annual Maturities Date	Amount	Interest Rate	Balance July 1, 2012	Issued	Retired	Balance June 30, 2013
2005 School Bonds	7/15/2005	6,500,000	7/15/2013	285,000	4.00%	5,285,000		4,700,000	585,000
			7/15/2014	300,000	4.00%				
2013 School Refunding Bonds	1/31/2013	4,450,000	7/15/2013	25,000	1.50%		4,450,000		4,450,000
			7/15/2014	20,000	2.00%				
			7/15/2015	330,000	3.00%				
			7/15/2016	345,000	3.00%				
			7/15/2017	360,000	3.00%				
			7/15/2018	375,000	3.00%				
			7/15/2019	390,000	3.00%				
			7/15/2020	400,000	3.00%				
			7/15/2021	415,000	3.00%				
			7/15/2022	430,000	3.00%				
			7/15/2023	445,000	3.00%				
			7/15/2024	455,000	3.00%				
			7/15/2025	460,000	3.00%				
						\$ 5,285,000	4,450,000	4,700,000	5,035,000

Paid	275,000
Refunded	4,425,000
	<u>\$ 4,700,000</u>

WOOD-RIDGE BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2013

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	205,103		205,103	205,103	
Total Revenues	205,103		205,103	205,103	
EXPENDITURES:					
Regular Debt Service:					
Interest	206,279		206,279	206,279	
Redemption of Principal	275,000		275,000	275,000	
Total Regular Debt Service	481,279		481,279	481,279	
Total expenditures	481,279		481,279	481,279	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(276,176)		(276,176)	(276,176)	
Other Financing Sources:					
Operating Transfers In:					
Proceeds of Refunding Bond Sale				14,974	14,974
Transfer from Capital Projects Fund	275,000		275,000	275,000	
Interest Earned in Capital Projects Fund				6	6
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1,176)		(1,176)	13,804	14,980
Fund Balance, July 1	1,513		1,513	1,513	
Fund Balance, June 30	337		337	15,317	14,980
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(1,176)		(1,176)	13,804	14,980

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

- J-1 Net Assets/Position by Component
- J-2 Changes in Net Assets/Position
- J-3 Fund Balances - Governmental Funds
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Revenue Capacity

- J-6 Assessed Value and Estimated Actual Value of Taxable Property
- J-7 Direct and Overlapping Property Tax Rates
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

- J-14 Demographic and Economic Statistics
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- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

Wood-Ridge Board of Education
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net Investment in Capital Assets										
Restricted	\$ 5,701,355	\$ 9,272,527	\$ 2,871,429	\$ 2,551,822	\$ 2,628,006	\$ 2,937,868	\$ 3,103,792	\$ 3,326,196	\$ 3,514,848	\$ 4,070,016
Unrestricted	(520,313)	(3,943,557)	2,978,634	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170
Total governmental activities net assets	\$ 5,181,042	\$ 5,328,970	\$ 5,850,063	\$ 5,059,641	\$ 4,827,137	\$ 5,153,527	\$ 5,632,341	\$ 5,823,086	\$ 6,266,059	\$ 6,264,186
Business-type activities										
Net Investment in Capital Assets										
Restricted	\$ 3,451	\$ 2,606	\$ 1,779	\$ 5,718	\$ 4,671	\$ 3,625	\$ 2,578	\$ 1,916	\$ 23,709	\$ 22,849
Unrestricted	8,458	6,406	14,602	18,012	21,540	39,871	60,052	66,434	30,816	26,581
Total business-type activities net assets	\$ 11,909	\$ 9,012	\$ 16,381	\$ 23,730	\$ 26,211	\$ 43,496	\$ 62,630	\$ 68,350	\$ 54,525	\$ 49,430
District-wide										
Net Investment in Capital Assets										
Restricted	\$ 5,704,806	\$ 9,275,133	\$ 2,873,208	\$ 2,557,540	\$ 2,632,677	\$ 2,941,493	\$ 3,106,370	\$ 3,328,112	\$ 3,538,557	\$ 4,092,865
Unrestricted	(520,313)	(3,943,557)	2,978,634	2,507,819	2,199,131	2,215,659	2,528,549	2,496,890	2,751,211	2,194,170
Total district net position	\$ 5,184,493	\$ 5,331,576	\$ 5,851,842	\$ 5,065,359	\$ 4,831,808	\$ 5,157,152	\$ 5,634,919	\$ 5,825,002	\$ 6,289,768	\$ 6,287,035

Source: CAFR Schedule A-1

Wood-Ridge Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,450,340	\$ 4,910,062	\$ 5,254,572	\$ 5,609,525	\$ 5,642,716	\$ 5,792,729	\$ 6,038,384	\$ 5,892,176	\$ 5,950,785	\$ 6,004,438
Special education	733,107	822,549	868,002	975,941	918,141	1,029,430	1,125,706	1,071,942	1,065,358	1,013,724
Other special education	321,553	336,490	365,722	298,085	347,738	355,738	343,957	250,447	253,244	247,303
Other instruction	343,421	361,383	355,574	389,252	420,028	480,310	480,135	452,079	473,704	447,251
Support Services:										
Tuition	687,073	623,344	775,134	1,213,194	1,665,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922
Student & instruction related services	1,173,339	1,342,414	1,462,116	1,646,608	1,635,675	1,612,269	1,781,973	1,847,454	1,816,489	1,986,337
General administrative services	326,003	333,429	354,097	376,343	428,327	467,108	506,152	435,980	510,635	503,476
School administrative services	618,323	617,793	567,276	702,114	735,789	736,746	706,934	772,819	817,217	1,012,327
Central services		316,399	282,946	292,557	300,453	307,367	324,204	325,703	338,875	352,975
Administrative information technology		134,823	93,092	121,535	115,934	113,534	118,893	154,345	151,831	154,031
Business administrative services	311,025									
Plant operations and maintenance	1,245,999	1,280,652	1,380,562	1,513,133	1,626,326	1,654,393	1,571,446	1,501,748	1,521,990	1,574,683
Pupil transportation	377,340	304,697	346,208	573,840	619,154	538,802	493,178	519,844	441,156	569,410
Unallocated Benefits	811,504	852,657	938,844	1,379,801	1,379,159	933,213	1,016,854	1,076,657	1,361,521	1,568,004
Charter Schools							50,075	49,296	27,658	36,897
Interest on long-term debt	80,863	138,584	255,997	255,879	249,958	238,604	229,991	221,082	211,820	148,533
Unallocated depreciation	112,293	193,239	241,637	232,984	226,951	221,532	224,606	251,864	212,926	242,936
Capital Outlay - nondepreciable	3,926	65,144		59,601		10,718		37,056	19,097	37,333
Bond Issuance Costs										72,500
Total governmental activities expenses	11,596,109	12,633,810	13,541,779	15,640,392	16,311,822	16,186,832	16,787,956	17,006,801	17,613,225	18,845,080

Wood-Ridge Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Food service	312,411	360,534	374,884	382,645	394,949	400,845	377,660	381,875	406,185	415,251
Total business-type activities expense	312,411	360,534	374,884	382,645	394,949	400,845	377,660	381,875	406,185	415,251
Total district expenses	\$ 11,908,520	\$ 12,994,344	\$ 13,916,663	\$ 16,023,037	\$ 16,706,771	\$ 16,587,677	\$ 17,165,616	\$ 17,388,676	\$ 18,019,410	\$ 19,260,331
Program Revenues										
Governmental activities:										
Operating grants and contributions	406,248	430,344	486,794	480,205	434,906	403,820	472,003	459,208	415,322	356,575
Capital grants and contributions										
Total governmental activities program revenues	406,248	430,344	486,794	480,205	434,906	403,820	472,003	459,208	415,322	356,575
Business-type activities:										
Charges for services										
Food service	250,833	288,744	317,377	321,753	327,151	344,491	306,966	299,648	295,931	294,123
Operating grants and contributions	66,490	64,607	64,365	64,596	67,581	73,639	89,828	87,947	96,429	92,617
Capital grants and contributions										
Total business-type activities program revenues	317,323	353,351	381,742	386,349	394,732	418,130	396,794	387,595	392,360	386,740
Total district program revenues	\$ 723,571	\$ 783,695	\$ 868,536	\$ 866,554	\$ 829,638	\$ 821,950	\$ 868,797	\$ 846,803	\$ 807,682	\$ 743,315
Net (Expense)/Revenue										
Governmental activities	\$ (11,189,861)	\$ (12,203,466)	\$ (13,054,985)	\$ (15,160,187)	\$ (15,876,916)	\$ (15,783,012)	\$ (16,315,953)	\$ (16,547,593)	\$ (17,197,903)	\$ (18,488,505)
Business-type activities	4,912	(7,183)	6,838	3,704	(217)	17,285	19,134	5,720	(13,825)	(28,511)
Total district-wide net expense	\$ (11,184,949)	\$ (12,210,649)	\$ (13,048,127)	\$ (15,156,483)	\$ (15,877,133)	\$ (15,765,727)	\$ (16,296,819)	\$ (16,541,873)	\$ (17,211,728)	\$ (18,517,016)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 8,712,472	\$ 9,305,914	\$ 10,076,112	\$ 10,831,384	\$ 11,548,935	\$ 12,341,718	\$ 12,807,191	\$ 13,563,859	\$ 13,835,136	\$ 14,111,839
Taxes levied for debt service	28,490	27,799	336,128	283,960	341,273	424,904	396,132	453,918	478,252	205,103
Unrestricted grants and contributions	1,593,112	1,617,774	1,731,857	2,259,432	2,295,832	1,963,329	2,103,868	1,577,801	1,888,072	2,283,506
Tuition Received	920,395	1,024,128	1,161,643	1,099,420	1,106,111	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073
Community development block grant cancelled									(6,161)	
Investment earnings										1,572
Miscellaneous income	114,815	210,129	214,037	235,105	213,865	275,348	215,683	139,410	79,401	202,054
Other Financing Sources (Uses)										
Extraordinary Item - Insurance										
Recovery for repair of Impaired										
Capital Assets - Super Storm Sandy										335,586
Proceeds received from Refunding										
Bond Sale - Close out of Escrow										14,974
Total governmental activities	11,369,284	12,185,744	13,519,777	14,709,301	15,506,016	16,130,615	16,594,149	16,943,073	17,663,626	18,403,707

Wood-Ridge Board of Education
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ending June 30,											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013		
Business-type activities:												
Investment earnings												
Transfers		4,286	511	1,102	2,698							
Prior year prepaids realized												
Operating subsidy - Moonachie Board of Education												
Total business-type activities												
Total district-wide	\$ 11,369,284	\$ 12,190,030	\$ 13,520,288	\$ 14,710,403	\$ 15,508,714	\$ 16,130,615	\$ 16,594,149	\$ 16,943,073	\$ 17,663,626	\$ 18,427,123		
Change in Net Position												
Governmental activities	\$ 179,423	\$ (17,722)	\$ 464,792	\$ (450,886)	\$ (370,900)	\$ 347,603	\$ 278,196	\$ 395,480	\$ 465,723	\$ (84,798)		
Business-type activities	4,912	(2,897)	7,369	4,806	2,481	17,285	19,134	5,720	(13,825)	(5,095)		
Total district	\$ 184,335	\$ (20,619)	\$ 472,161	\$ (446,080)	\$ (368,419)	\$ 364,888	\$ 297,330	\$ 401,200	\$ 451,898	\$ (89,893)		

Source: CAFR Schedule A-2

Wood-Ridge Board of Education
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 229,847	\$ 603,855	\$ 1,195,563	\$ 676,892	\$ 461,953	\$ 781,011	\$ 1,208,621			
Unreserved	535,102	418,108	334,690	539,062	415,811	408,479	202,327			
Restricted								1,081,368	1,344,994	1,163,783
Committed								104,265	97,938	47,728
Assigned								16,408	154,085	104,641
Unassigned								307,398	412,321	308,739
Total general fund	\$ 764,949	\$ 1,021,963	\$ 1,530,253	\$ 1,215,954	\$ 877,764	\$ 1,189,490	\$ 1,410,948	\$ 1,509,439	\$ 2,009,338	\$ 1,624,891
All Other Governmental Funds										
Reserved	\$ 2,744,490	\$ 237,328	\$ 25,657	\$ 17,600	\$ 103,486	\$ 9,247				
Unreserved, reported in:										
Special revenue fund										
Capital projects fund	(3,518,883)	(4,767,643)	1,603,489	1,579,224	1,470,724	1,316,356	1,290,852	1,290,852	1,179,013	877,681
Debt service fund	24,233	(17,097)	153,925	234,103	162,968	109,045	29,076	3,997	1,513	15,317
Permanent fund										
Total all other governmental funds	\$ (750,160)	\$ (4,547,412)	\$ 1,783,071	\$ 1,830,927	\$ 1,737,178	\$ 1,434,648	\$ 1,319,928	\$ 1,294,849	\$ 1,180,526	\$ 892,998

Source: CAFR Schedule B-1

Wood-Ridge Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Tax levy	\$ 8,740,962	\$ 9,333,713	\$ 10,412,240	\$ 11,115,344	\$ 11,890,208	\$ 12,766,622	\$ 13,203,323	\$ 14,017,777	\$ 14,313,388	\$ 14,316,942
Tuition	920,395	1,024,128	1,161,643	1,099,420	1,106,111	1,125,316	1,071,275	1,208,085	1,388,926	1,249,073
Interest earnings				1,250	4,250	1,654	2,754	1,291	955	1,572
Miscellaneous	38,649	147,435	214,037	233,855	128,977	251,436	217,849	147,857	78,446	210,206
State sources	1,729,118	1,751,937	1,897,144	2,401,104	2,418,029	2,061,052	2,067,158	1,485,053	1,841,412	2,283,506
Federal sources	270,242	296,181	321,507	338,533	312,709	306,097	503,793	480,915	461,982	348,423
Total revenue	11,699,366	12,553,394	14,006,571	15,189,506	15,860,284	16,512,177	17,066,152	17,340,978	18,085,109	18,409,722
Expenditures										
Instruction										
Regular Instruction	3,858,218	4,225,782	4,493,469	4,771,898	4,747,430	4,953,333	5,162,096	4,917,284	4,991,142	5,013,924
Special education instruction	601,115	689,024	719,156	806,410	754,084	858,475	933,184	873,045	881,452	828,960
Other special instruction	271,147	281,146	302,141	245,750	284,885	296,092	284,594	203,710	208,137	202,258
Other instruction	303,897	316,302	308,040	338,194	360,602	424,537	419,917	390,430	416,403	387,933
Support Services:										
Tuition	687,073	623,344	775,134	1,213,194	1,663,473	1,674,339	1,755,468	2,146,309	2,438,919	2,872,922
Student & instruction related services	1,027,115	1,172,104	1,269,358	1,441,966	1,427,299	1,430,231	1,550,394	1,611,251	1,582,299	1,758,434
General administrative services	533,454	300,424	317,084	337,004	385,508	426,104	461,530	385,284	455,113	447,064
School Administrative services	298,023	526,481	477,565	591,719	616,026	624,762	591,923	641,279	658,524	811,400
Central services		280,719	243,110	250,614	254,876	263,820	276,980	274,809	289,941	299,876
Administrative information technology		112,973	76,897	101,674	94,950	94,469	98,404	131,302	130,018	130,488
Plant operations and maintenance	1,125,900	1,157,049	1,245,318	1,422,893	1,468,858	1,507,362	1,424,232	1,342,996	1,366,111	1,410,859
Pupil transportation	374,037	300,830	363,100	568,798	636,262	538,575	487,519	512,908	434,863	562,065
Business and other support services	290,559	151								
Unallocated employee benefits	2,012,004	2,273,619	2,483,048	3,051,626	3,160,948	2,666,737	2,841,960	3,112,470	3,152,822	3,474,794
Capital outlay	24,166	73,633		91,923		12,718	142,216	195,021	73,220	351,186
Transfer of funds to Charter School							50,075	49,296	27,658	36,897
Debt service:										
Principal	22,327	15,674	24,087	25,083	241,105	262,164	245,000	255,000	265,000	275,000
Interest and other charges	20,653	108,640	229,752	256,804	251,941	242,914	233,922	225,172	216,072	206,279
Total expenditures	11,449,688	12,457,895	13,327,259	15,515,550	16,350,247	16,276,632	16,959,414	17,267,566	17,587,694	19,070,339
Excess (Deficiency) of revenues over (under) expenditures	249,678	95,499	679,312	(326,044)	(489,963)	235,545	106,738	73,412	497,415	(660,617)

Wood-Ridge Board of Education
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing sources (uses)										
Capital leases (non-budgeted)		65,000		59,601						
Transfers in	38,171	55,185		78,105	80,638	26,251	2,821	1,175	336	275,006
Transfers out				(78,105)	(80,638)	(26,251)	(2,821)	(1,175)	(366)	(275,006)
Proceeds of refunding bond sale										14,974
Insurance recovery related to Impaired Capital Assets - Super Storm Sandy										335,586
Insurance recovery related to Other Costs of Super Storm Sandy										2,500
Super Storm Sandy related Expenditures - Capital Assets										(335,586)
Super Storm Sandy related Expenditures - Required Maintenance - Cleaning, Repair and Maintenance Svcs.										(2,500)
Total other financing sources (uses)	38,171	120,185	-	59,601	-	-	-	-	(30)	14,974
Net change in fund balances	\$ 287,849	\$ 215,684	\$ 679,312	\$ (266,443)	\$ (489,963)	\$ 235,545	\$ 106,738	\$ 73,412	\$ 497,385	\$ (645,643)
Debt service as a percentage of noncapital expenditures	0.4%	1.0%	1.9%	1.8%	3.0%	3.1%	2.8%	2.8%	2.7%	2.6%

NOTE: Capital Projects Fund is not included as these expenditures vary substantially from year to year. The financial data presented would not be as meaningful for comparative purposes if these were included.

Wood-Ridge Board of Education
General Fund Other Local Revenue by Source
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Donations	Rent	Refunds	Employee Health Benefit Contribution	Reimbursements	Restricted Miscellaneous Revenue	Interest on Investments	Prior Year Voided Checks	E-Rate Reimb.	Tuition Adj. Refunds	Misc.	Total
2004	-	-	-	-	-	-	-	-	-	-	38,649	38,649
2005	-	-	107,008	-	-	-	6,801	-	-	-	33,626	147,435
2006	8,533	2,500	3,398	-	-	92,249	5,002	-	-	-	13,622	125,304
2007	-	-	94,159	-	-	1,250	47,098	-	-	-	14,493	157,000
2008	-	-	95,105	-	-	4,250	25,721	-	-	-	8,151	133,227
2009	599	2,300	41,659	-	117,578	-	37,752	-	-	-	48,303	248,191
2010	-	-	-	-	147,152	-	6,406	33,330	-	-	25,974	212,862
2011	-	2,625	-	62,759	20,000	-	5,976	111	-	15,805	30,959	138,235
2012	-	2,992	1,004	-	1,363	-	4,828	125	22,986	28,999	14,192	76,489
2013	-	120,000	-	-	-	-	1,572	-	30,735	26,425	24,888	203,620

Source: District Records

Wood-Ridge Board of Education
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Year Ended Dec. 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2004	\$ 3,452,700	\$ 574,743,000	\$ 47,691,000	\$ 86,144,400	\$ 19,156,300	\$ 731,187,400	\$ 43,219,000.00	\$ 855,397	\$ 688,823,797	1.224	\$ 850,378,788	81.00%
2005	\$ 3,207,700	\$ 577,705,800	\$ 47,161,300	\$ 87,080,400	\$ 19,156,300	\$ 734,311,500	\$ 43,313,300.00	\$ 725,903	\$ 691,724,103	1.343	\$ 963,120,889	71.82%
2006	\$ 3,207,700	\$ 577,705,800	\$ 47,161,300	\$ 87,080,400	\$ 19,156,300	\$ 734,311,500	\$ 43,313,300.00	\$ 725,903	\$ 691,724,103	1.402	\$ 1,101,737,382	62.78%
2007	\$ 56,001,500	\$ 580,734,500	\$ 38,193,700	\$ 87,080,400	\$ 19,156,300	\$ 781,166,400	\$ 43,452,000.00	\$ 512,640	\$ 738,227,040	1.471	\$ 1,222,296,973	60.40%
2008	\$ 56,865,200	\$ 580,594,200	\$ 38,213,700	\$ 87,080,400	\$ 19,156,300	\$ 781,909,800	\$ 43,917,500.00	\$ 534,774	\$ 738,527,074	1.576	\$ 1,348,779,852	54.76%
2009	\$ 57,093,700	\$ 581,687,900	\$ 37,973,600	\$ 87,080,400	\$ 17,209,800	\$ 781,045,400	\$ 43,687,800.00	\$ 535,480	\$ 737,893,080	1.661	\$ 1,290,027,638	57.20%
2010	\$ 56,529,300	\$ 584,494,100	\$ 37,973,600	\$ 87,080,400	\$ 17,209,800	\$ 783,287,200	\$ 43,321,300.00	\$ 614,644	\$ 740,580,544	1.736	\$ 1,315,447,940	56.30%
2011	\$ 67,982,800	\$ 586,141,300	\$ 38,077,700	\$ 79,831,500	\$ 17,209,800	\$ 789,243,100	\$ 43,205,100.00	\$ 546,760	\$ 746,584,760	1.794	\$ 1,256,721,214	59.41%
2012	\$ 68,575,400	\$ 587,155,700	\$ 38,043,200	\$ 79,765,900	\$ 16,949,100	\$ 790,489,300	\$ 43,889,200.00	\$ 532,680	\$ 747,132,780	1.817	\$ 1,228,999,885	60.79%
2013	\$ 68,418,100	\$ 587,891,700	\$ 37,398,100	\$ 79,765,900	\$ 16,471,400	\$ 789,945,200	\$ 70,605,100.00	\$ 559,307	\$ 719,899,407	1.915	\$ 1,174,989,142	61.27%

Source: Municipal Tax Assessor

NOTE: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Exhibit J-7

Wood-Ridge Board of Education
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Year Ended Dec. 31,	Wood-Ridge Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General	Total	Borough of Wood- Ridge	Bergen County	
		Obligation				
		Debt Service ^b				
2004	1.220	0.004	1.224	0.734	0.252	2.210
2005	1.300	0.043	1.343	0.838	0.259	2.440
2006	1.364	0.038	1.402	1.005	0.263	2.670
2007	1.433	0.038	1.471	1.106	0.283	2.860
2008	1.531	0.045	1.576	1.141	0.320	3.037
2009	1.616	0.045	1.661	1.204	0.336	3.201
2010	1.706	0.030	1.736	1.286	0.327	3.349
2011	1.764	0.030	1.794	1.264	0.328	3.386
2012	1.776	0.046	1.817	1.301	0.345	3.463
2013	1.866	0.049	1.915	1.334	0.351	3.600

Source: District Records and Municipal Tax Collector

Note:

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

^a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

^b Rates for debt service are based on each year's requirements.

**Wood-Ridge Board of Education
Principal Property Taxpayers
Current Year and Ten Years Ago**

	2013				2004			
	Taxpayer	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	
	WOOD-RIDGE DEVELOPMENT, LLC	\$ 54,000,000	1	7.23%	\$ 52,107,500	1	7.10%	
	WOOD-RIDGE INDUSTRIAL PROPERTY	45,850,000	2	6.14%	7,970,500	2	1.09%	
	CLIFF VIEW GARDENS	6,400,000	5	0.86%	7,500,000	3	1.02%	
	AVALON BAY COMMUNITIES, INC	4,000,000	8	0.54%	5,851,900	4	0.80%	
	ONE ETHEL BOULEVARD, LLC	4,500,000	7	0.60%	4,554,700	5	0.62%	
	DELDOR REALTY CORP @ FIESTA	4,691,100	6	0.63%	4,346,500	6	0.59%	
	ONE PARK PLACE, LLC	3,659,000	9	0.49%	3,720,800	7	0.51%	
	HOME PROPERTIES WINDSOR, LLC	3,500,000	10	0.47%	3,689,500	8	0.50%	
	AVALON BAY COMMUNITIES - ROSIE SQUARE	25,800,800	3	3.46%	3,405,800	9	0.46%	
	AVALON BAY COMMUNITIES - AVALON DRIVE	6,450,200	4	0.86%	3,291,300	10	0.45%	
Total		\$ 158,851,100		21.28%	\$ 96,438,500		13.14%	

Net Assessed Valuation: \$ 746,584,760 \$ 733,823,517

Source: Municipal Tax Assessor.

**Wood-Ridge Board of Education
Property Tax Levies and Collections
Last Ten Fiscal Years**

Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	8,740,962	8,740,962	100.00%	\$ -
2005	9,333,713	9,333,713	100.00%	\$ -
2006	10,412,240	10,412,240	100.00%	\$ -
2007	11,115,344	11,113,439	99.98%	\$ 1,905
2008	11,890,208	11,293,793	94.98%	\$ 596,415
2009	12,766,622	12,543,650	98.25%	\$ 227,869
2010	13,203,323	12,103,047	91.67%	\$ 1,100,277
2011	14,017,777	12,845,197	91.64%	\$ 1,172,580
2012	14,313,388	13,120,606	91.67%	\$ 1,192,782
2013	14,316,942	13,113,314	91.59%	\$ 1,203,628

Source: Municipal Tax Collector

Wood-Ridge Board of Education
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes (BANs)	Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	Bonds Payable ^b	Loans Payable	Capital Leases		Capital Leases	Total District		
2004		125,621	57,293	7,021,000	-	7,203,914	1.74%	\$ 132
2005		102,438	103,909	7,021,000	-	7,227,347	1.69%	\$ 127
2006	6,500,000	78,352	63,713	-	-	6,642,065	1.41%	\$ 106
2007	6,500,000	53,269	61,353	-	-	6,614,622	1.31%	\$ 98
2008	6,285,000	27,164	21,937	-	-	6,334,101	1.25%	\$ 93
2009	6,050,000		3,314	-	-	6,053,314	1.28%	\$ 96
2010	5,805,000	-	-	-	-	5,805,000	1.16%	\$ 89
2011	5,550,000	-	-	-	-	5,550,000	1.09%	\$ 84
2012	5,285,000	-	-	-	-	5,285,000	NOT AVAILABLE	NOT AVAILABLE
2013	5,035,000	-	-	-	-	5,035,000	NOT AVAILABLE	NOT AVAILABLE

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

^b Includes Early Retirement Incentive Plan (ERIP) refunding

Exhibit J-11

Wood-Ridge Board of Education
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value a of Property	Per Capita ^b
	General Obligation Bonds and Loans	Net General Bonded Debt Outstanding		
2004	125,621	125,621	0.02%	\$ 54,462
2005	102,438	102,438	0.01%	\$ 56,706
2006	6,578,352	6,578,352	0.89%	\$ 62,714
2007	6,553,269	6,553,269	0.89%	\$ 67,394
2008	6,312,164	6,312,164	0.86%	\$ 68,227
2009	6,050,000	6,050,000	0.82%	\$ 63,198
2010	5,805,000	5,805,000	0.78%	\$ 65,486
2011	5,550,000	5,550,000	0.74%	\$ 66,096
2012	5,285,000	5,285,000	0.71%	NOT AVAILABLE
2013	5,035,000	5,035,000	0.70%	NOT AVAILABLE

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

^a See Exhibit NJ J-6 for property tax data.

^b Population data can be found in Exhibit NJ J-14.

**Wood-Ridge Board of Education
Ratios of Overlapping Governmental Activities Debt
As of June 30, 2013**

<u>Governmental Unit</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Debt Outstanding</u>	<u>Estimated Share of Overlapping Debt</u>
Direct Debt of School District as of June 30, 2013			\$ 5,035,000
Net overlapping debt of School District:			
Borough of Wood-Ridge	100.000%	\$ 17,982,274	
Bergen County Utilities Authority	0.830%	\$ 1,981,196	
County of Bergen - Borough's share	0.505%	\$ 3,973,299	
Subtotal, overlapping debt			\$ 23,936,769
Total direct and overlapping debt			<u>\$ 28,971,769</u>

Sources: Borough of Wood-Ridge Town Administrator / Bergen County Treasurer's Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Wood-Ridge. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

Wood-Ridge Board of Education
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2013

Equalized valuation basis									
	2012	2011	2010						
	\$ 1,175,798,453	\$ 1,227,057,058	\$ 1,226,953,634						
	<u>[A] \$ 3,629,809,145</u>								
	\$ 1,209,936,382								
Average equalized valuation of taxable property	<u>[A/3]</u>								
Debt limit (4 % of average equalization value)	<u>[B]</u>								
Net bonded school debt	<u>[C]</u>								
Legal debt margin	<u>[B-C]</u>								
	</								

**Wood-Ridge Board of Education
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2003	7,597	388,449,804	51,132	3.90%
2004	7,594	413,584,428	54,462	3.20%
2005	7,560	428,697,360	56,706	3.20%
2006	7,502	470,480,428	62,714	2.80%
2007	7,505	505,791,970	67,394	2.90%
2008	7,430	506,926,610	68,227	3.80%
2009	7,462	471,583,476	63,198	6.80%
2010	7,635	499,985,610	65,486	6.90%
2011	7,677	507,418,992	66,096	6.80%
2012	8,326	NOT AVAILABLE	NOT AVAILABLE	7.00%

Source:^a Population information provided by the NJ Dept of Labor and Workforce Development^b Personal income has been estimated based upon the municipal population and per capita personal income presented^c Per Capita Personal Income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**Wood-Ridge Board of Education
Principal Employers
Current Year and Nine Years Ago ****

	2012			2003		
	Employer	Employees	Rank (Optional)	Percentage of Total Employment	Employees	Rank (Optional) Percentage of Total Employment

THE NEW JERSEY DEPARTMENT OF LABOR AND AREA EMPLOYERS REFUSED
TO RELEASE INFORMATION NEEDED TO COMPLETE THIS SCHEDULE DUE TO
PRIVACY CONCERNS

Source:

Wood-Ridge Board of Education
Full-time Equivalent District Employees by Function/Program,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	64.00	67.00	67.00	64.00	69.00	68.37	72.87	72.03	71.80	66.00
Special education	9.00	9.00	9.00	10.00	11.00	11.50	11.50	11.50	11.50	14.60
Other special education	-	-	-	9.00	9.00	11.00	9.00	9.30	9.20	4.00
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	3.00	3.00	4.13	5.13	5.67	6.00	1.00
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Student & Instruction Related Services	11.00	14.00	14.00	19.00	13.20	13.50	13.17	13.17	13.17	15.00
General administrative services	-	-	-	-	2.00	2.00	2.00	2.00	2.00	2.00
School administrative services	10.00	10.00	10.00	10.00	7.50	7.50	7.33	7.33	7.33	9.00
Central services	5.00	5.00	5.00	5.00	3.00	3.00	3.00	3.00	3.00	3.00
Administrative Information Technology	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
Plant operations and maintenance	13.00	13.00	13.00	14.00	13.00	13.00	12.00	12.00	12.00	11.50
Pupil transportation	-	-	-	-	-	-	0.50	0.50	0.50	0.50
Special Schools										
Food Service										
Child Care										
Total	113	119	119	135	131.7	135.0	137.5	137.5	137.5	128.1

Source: District Personnel Records

**Wood-Ridge Board of Education
Operating Statistics
Last Ten Fiscal Years**

Fiscal Year	Pupil/Teacher Ratio									
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c
						Elementary	Middle School	High School		
2004	1,035	11,382,542	10,998	11.36%	8	1:23	1:22	1:16	1,035	979
2005	1,082	12,259,948	11,331	3.03%	87	1:23	1:22	1:16	1,082	1,029
2006	1,132	13,073,420	11,549	1.93%	87	1:23	1:22	1:16	1,132	1,082
2007	1,130	15,141,740	13,400	18.26%	94	1:19	1:18	1:16	1,130	1,077
2008	1,152	15,857,201	13,765	19.19%	92	1:13.5	1:8.9	1:11.3	1,153	1,099
2009	1,195	15,771,555	13,198	-1.51%	97	1:14	1:15	1:10	1,185	1,127
2010	1,182	16,338,276	13,823	0.42%	98.5	1:16	1:13	1:13	1,143	1,106
2011	1,159	16,592,373	14,316	8.47%	98.5	1:12	1:13	1:11	1,147	1,087
2012	1,159	17,033,402	14,697	2.66%	98.5	1:12	1:13	1:11	1,160	1,098
2013	1,140	18,237,874	15,998	8.86%	98.6	1:11	1:18	1:10	1,137	1,087

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October district count for all students attending school facilities.

^a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay, Schedule J-4

^b Teaching staff includes only full-time equivalents of certificated staff.

^c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**Wood-Ridge Board of Education
School Building Information
Last Ten Fiscal Years**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Buildings</u>										
<u>Elementary</u>										
Doyle Elementary School (1952)	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587	45,587
Square Feet	355	355	355	355	355	355	355	355	355	355
Capacity: FES (students)	365	451	468	479	479	529	535	525	525	501
Enrollment										
<u>Middle</u>										
Ostrovsky Middle School (1958)	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738	30,738
Square Feet	244	244	244	244	244	244	244	244	244	244
Capacity: FES (students)	308	244	241	231	231	239	247	263	263	282
Enrollment										
<u>High School</u>										
Wood-Ridge High School (1923)	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792	63,792
Square Feet	496	496	496	496	496	496	496	496	496	496
Capacity: FES (students)	362	387	422	420	420	427	400	371	371	357
Enrollment										
<u>Other</u>										
Central Administration	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531	6,531
Square Feet										

Number of Schools at June 30, 2013

Elementary = 1

Middle School = 1

High School = 1

Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions. Enrollment is based on the annual October district count.

Wood-Ridge Board of Education
General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX

School Facilities	Project # (s)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Doyle Elementary School	N/A	136,079	120,686	115,075	84,769	86,042	102,789	116,042	100,224	137,447	86,632
Ostrovsky Middle School	N/A	99,378	90,710	101,081	74,088	87,917	63,553	100,001	74,267	67,533	79,875
Wood-Ridge High School	N/A	120,509	116,832	127,723	105,650	110,643	160,071	152,396	135,918	99,461	137,410
Other	N/A	4,193	1,563								
Grand Total		360,159	329,791	343,879	264,507	284,602	326,413	368,439	310,409	304,441	303,917

**Wood-Ridge Board of Education
Insurance Schedule
June 30, 2013
Unaudited**

Exhibit J-20

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund	School Package Policy	\$38,031,944	\$1,000
	Building and Contents (All Locations)		
	Boiler and Machinery	\$100,000	\$1,000
	General Automobile Liability	\$5,000,000	\$0
	School Board Legal Liability	\$5,000,000	\$5,000
	Employers Liability	\$1,000,000	\$0
	Workers' Compensation	Statutory	\$0
Bollinger, Inc.	Student Accident Insurance	\$5,000,000	\$0
Hartford Fire Insurance Company	Surety Bonds		
	Treasurer	N/A	N/A
	Board Secretary/Business Administrator	\$200,000	N/A
	Food Services Director	N/A	N/A

Source: District records

SINGLE AUDIT SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable President and
Members of the Board of Education
Borough of Wood-Ridge School District
County of Bergen, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Board of Education of the Borough of Wood-Ridge School District, in the County of Bergen, New Jersey, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the Borough of Wood-Ridge Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Wood-Ridge Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Wood-Ridge Board of Education's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


Compliance and Other Matters

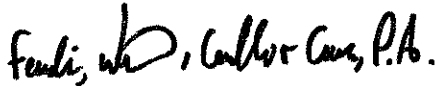
As part of obtaining reasonable assurance about whether the Borough of Wood-Ridge Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards or the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

We noted certain matters that were required to be reported to the Board of Education of the Borough of Wood-Ridge School District in the separate Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance dated November 6, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 6, 2013



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS **APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL** **CONTROL OVER COMPLIANCE IN ACCORDANCE WITH** **OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04**

Honorable President and
Members of the Board of Education
Borough of Wood-Ridge School District
County of Bergen, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Borough of Wood-Ridge School District in the County of Bergen, New Jersey, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplements* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Borough of Wood-Ridge Board of Education's major federal and state programs for the year ended June 30, 2013. The Borough of Wood-Ridge Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Wood-Ridge Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct



and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Wood-Ridge Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Borough of Wood-Ridge Board of Education's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Wood-Ridge Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the Borough of Wood-Ridge Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Wood-Ridge Board of Education's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Borough of Wood-Ridge Board of Education's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.


Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133

We have audited the financial statements of the Borough of Wood-Ridge Board of Education as of and for the year ended June 30, 2013, and have issued our report there dated November 6, 2013 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and N.J. OMB Circular 04-04 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal and state awards is fairly stated in all material respects in relation to the financial statements as a whole.


Steven D. Wielkottz, C.P.A.
Licensed Public School Accountant
No. 816


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants
Pompton Lakes, New Jersey

November 6, 2013



**WOOD-RIDGE
BOARD OF EDUCATION**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2013

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment/ Decobligated	Deferred Revenue at June 30, 2013	Accounts Receivable at June 30, 2013	Due to Grantor at June 30, 2013
U.S. Department of Agriculture												
Passed-through State Department of Education: Enterprise Fund:												
Food Distribution Program	10.550	N/A	7/1/12-6/30/13	17,530 \$			17,530	17,530				
National School Lunch Program	10.555	N/A	7/1/12-6/30/13	71,899			59,709	71,899			(12,190)	
National School Lunch Program	10.555	N/A	7/1/11-6/30/12	75,185	(11,552)		11,552					
Total U.S. Department of Agriculture					(11,552)		88,791	89,429			(12,190)	
U.S. Department of Education												
Passed-through State Department of Education: Special Revenue Fund:												
Title I, Part A-Improving Basic Programs	84.010A	NCLB583013	9/1/12-8/31/13	67,318		(6,925)	77,297	70,372				
Title I, Part A-Improving Basic Programs	84.010A	NCLB583012	9/1/11-8/31/12	67,214	(6,925)	6,925						
Title II, Part A-Teacher/Principal Training and Recruiting	84.367A	NCLB583013	9/1/12-8/31/13	16,739		(1,007)	7,056	17,712			(11,663)	
Title II, Part A-Teacher/Principal Training and Recruiting	84.367A	NCLB583012	9/1/11-8/31/12	18,460	(1,007)	1,007						
Title III, English Language Acquisition and Language Enhancement	84.365A	NCLB583013	9/1/12-8/31/13	3,135		(427)	427	3,135			(3,135)	
Title III, English Language Acquisition and Language Enhancement	84.365A	NCLB583012	9/1/11-8/31/12	2,272	(427)	427						
Other Special Projects												
I.D.E.A. Part B, Preschool	84.173	IDEA583013	9/1/12-8/31/13	11,348			1,672	11,348			(9,676)	
I.D.E.A. Part B, Preschool	84.173	IDEA583012	9/1/11-8/31/12	11,383			3,350	3,350				
I.D.E.A. Part B, Basic Regular	84.027	IDEA583013	9/1/12-8/31/13	231,516		(71,523)	263,903	242,506	(5)		(50,121)	
I.D.E.A. Part B, Basic Regular	84.027	IDEA583012	9/1/11-8/31/12	233,787	(71,523)	71,523						
Total U.S. Department of Education					(79,882)		353,705	348,423	(5)		(74,595)	
Total Federal Financial Assistance				\$	(91,434)		442,496	437,852	(5)		(86,785)	

See accompanying notes to schedules of expenditures of federal and state awards.

Note: This schedule was not subject to an audit in accordance with OMB Circular A-133

**WOOD-RIDGE
BOARD OF EDUCATION**

Schedule of Expenditures of State Financial Assistance

Year ended June 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2012			Balance at June 30, 2013			MEMO	
				Deferred Revenue/ (Accounts Receivable)	Due to Grantor	Cash Received	Budgetary Expenditures	(Accounts Receivable)	Deferred Revenue/Interfund Payable	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:											
General Fund:											
Equalization Aid	13 495-034-5120-078	7/1/12-6/30/13	45,057 \$			42,736	45,057		*	2,321	45,057
Transportation Aid	13 495-034-5120-014	7/1/12-6/30/13	29,256			27,749	29,256		*	1,507	29,256
Special Education Aid	13 495-034-5120-089	7/1/12-6/30/13	661,792			627,707	661,792		*	34,085	661,792
Security Aid	13 495-034-5120-084	7/1/12-6/30/13	20,135			19,098	20,135		*	1,037	20,135
Extraordinary Aid	13 100-034-5120-473	7/1/12-6/30/13	150,770				150,770	(150,770)	*	*	150,770
Extraordinary Aid	12 100-034-5120-473	7/1/11-6/30/12	140,205	(140,205)		140,205			*	*	140,205
TPAF - Social Security	13 495-034-5095-002	7/1/12-6/30/13	464,751			461,960	464,751	(2,791)	*	*	464,751
TPAF - Social Security	12 495-034-5095-002	7/1/11-6/30/12	472,799	(23,608)		23,608			*	*	476,319
On Behalf TPAF Pension Contribution -	13 495-034-5095-006	7/1/12-6/30/13	406,414			406,414	406,414		*	*	406,414
On behalf TPAF Pension Contribution -									*	*	
Post Retirement Medical	13 495-034-5095-001	7/1/12-6/30/13	483,731			483,731	483,731		*	*	483,731
On Behalf TPAF Contributions -									*	*	
Non-contributory Insurance	13 495-034-5095-007	7/1/12-6/30/13	21,383	(163,813)		21,383	21,383		*	*	21,383
Total General Fund						2,254,591	2,283,289	(153,561)	*	38,950	2,899,813
Enterprise Fund:											
National School Lunch Program (State Share)	13 100-010-3350-023	7/1/12-6/30/13	3,188			2,687	3,188	(501)	*	*	3,188
National School Lunch Program (State Share)	12 100-010-3350-023	7/1/11-6/30/12	3,629	(525)		525			*	*	3,629
				(525)		3,212	3,188	(501)	*	*	6,817
Total State Financial Assistance				(164,338)		2,257,803	2,286,477	(154,062)	*	38,950	2,969,159
Local Private and Not for Profit:											
Special Revenue Fund:											
Environmental Awareness Grant	N/A	7/1/08-6/30/09	1,000	73			73		*	*	1,000
Doyle School Microphone System	N/A	7/1/08-6/30/09	250	10			10		*	*	250
Exxon Grant	N/A	7/1/08-6/30/09	500	500			500		*	*	500
MSG Varsity Grant	N/A	7/1/11-6/30/12	3,700	2,200			2,200		*	*	3,700
MSG Varsity Grant	N/A	7/1/12-6/30/13	5,450			5,450	3,762		1,688	*	3,762
Target - Take Charge of Education	N/A	7/1/09-6/30/11	478	260		218	478		*	*	478
Donations - Kiwanis Club	N/A	7/1/12-6/30/13	210			210			210	*	656
Exxon Grant	N/A	7/1/09-6/30/10	750	750			656		94	*	656
Exxon Grant	N/A	7/1/10-6/30/11	750	750					750	*	3,720
Model Congress	N/A	7/1/10-6/30/11	3,826	106					106	*	473
Juvenile Diabetes	N/A	7/1/12-6/30/13	473			473	473		*	*	473
Total Local Financial Assistance				4,649		6,351	8,152		2,848	*	14,539
Total State and Local Financial Assistance			\$	(159,689)		2,264,154	2,294,629	(154,062)	2,848	38,950	2,983,698

See accompanying notes to schedules of expenditures of federal and state awards.

NOTE 1. GENERAL

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the activity of all federal and state award programs of the Board of Education, Borough of Wood-Ridge School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal and state awards passed through other government agencies is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 2(C) and 2(D) to the Board's basic financial statements. The information in these schedules is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ in amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and the special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS, (continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$217 for the general fund and \$-0- for the special revenue fund. See Notes to Required Supplemental Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund	\$	\$2,283,506		\$2,283,506
Special Revenue Fund	348,423		8,152	356,575
Food Service Fund	<u>89,429</u>	<u>3,188</u>	<u></u>	<u>92,617</u>
Total Awards and Financial	<u>\$437,852</u>	<u>\$2,286,694</u>	<u>\$8,152</u>	<u>\$2,732,698</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2013. The amount reported as TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2013.

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? yes X no
2. Significant deficiencies identified that are
not considered to be material weaknesses? yes X none reported

Noncompliance material to basic financial
statements noted? yes X no

Federal Awards

Not Applicable

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section I - Summary of Auditor's Results, (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? X yes no

Type of auditor's report issued on compliance for major programs: unmodified

Internal Control over major programs:

1. Material weakness(es) identified? yes X no

2. Significant deficiencies identified that are not
considered to be material weaknesses? yes X none reported

Identification of major programs:

GMIS Number(s)

Name of State Program

13-495-034-5095-002

TPAF Social Security

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section II - Financial Statement Findings

None

Section III - State Financial Assistance Findings and Questioned Costs

No matters were reported.

**BOROUGH OF WOOD-RIDGE SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Status of Prior Year Findings

There were no prior year audit findings.